

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

Regular Board Meeting
Wednesday, April 26, 2017
5:45 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. 5:45 p.m. – Closed Session: 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, Tom Barentson, Donna Mayo-Whitlock, Claudia Del Toro-Anguiano
 - Employee Agency: (GEFA) Galt Elementary Faculty Association
 - Employee Agency: (CSEA) California School Employee Association
 - Non-Represented Employees
2. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE,
Government Code §54957

C. Adjourn Closed Session, Call Meeting to Order, Flag Salute, 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. Communications

1. Sacramento County Office of Education: 2016-17 Second Period Interim Report

F. Reports

LCAP GOAL 1

Develop and implement personalized learning and strengths-based growth plans for every student that articulate and transition to high school learning pathways while closing the achievement gap.

1. WestEd Publication: Journey to Personalized Learning – Bright Future: A Race to the Top-District initiative in GJUESD

2. Personalized Learning Plans Next Steps

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. Summer Learning Supports and Opportunities
2. Outdoor Education: Canoe Mobile Program

LCAP GOAL 3

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

1. Multi-Tiered System of Supports and Special Education
2. Local Control Accountability Plan (LCAP) Next Steps

LCAP GOAL 4

Maintenance, grounds, custodial, food services, and health staff maintain all school facilities that are safe, healthy, hazard free, clean and equipped for 21st Century Learning.

1. Measure K Update

OTHER

1. Employee Negotiations Update and Next Steps
2. Williams Quarterly Report

G. Recommended Actions

1. Routine Matters/New Business

131.844 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: March 22, 2017 Regular Board Meeting

c. Payment of Warrants:

Vendor Warrant Numbers: 17336525–17336639, 17337779–
17337834, 17338677–17338733, 17339940–17340004, 17340963–
17341048

Certificated/Classified Payrolls Dated: 3/31/17, 4/7/17, 4/10/17

d. Personnel

1. Resignations/Retirement
2. Leave of Absence Requests
3. New Hires

e. Donations

- f. Nonpublic School/Agency/Related Services Provider: Point Quest Education-Lodi
- g. Out of State Conference Attendance: 2017 Teacher Quality Programs Education Summit
- h. Out of State Conference Attendance: 2017 Power of Partnerships Convening

131.845	Consent Calendar (Continued) – Items Removed for Later Consideration	CC Items Removed
131.846	Board Consideration of Approval of Resolution #7; GJUESD Resolution Prescribing The Terms And Authorizing The Issuance Of Bonds Of The District; Approving Forms Of And Authorizing Execution And Delivery Of A Paying Agent Agreement, A Bond Purchase Agreement, A Continuing Disclosure Certificate, And An Official Statement; Authorizing Distribution Of The Official Statement And Sale Documents; And Authorizing Execution Of Necessary Certificates And Related Actions	MOTION
131.847	Board Consideration of Approval of Board Policy (BP) 4354 Health and Welfare Benefits	MOTION
131.848	Board Consideration of Approval of Declaration of Need for Fully Qualified Educators for the remainder of 2016-17	MOTION
131.849	Board Consideration of Approval of Resolution #8; Resolution to Assign Teacher to Designated Class in Accordance with Education Code Section 44256(b)	MOTION
131.850	Board Consideration of Approval of English Language Arts/English Language Development Materials Adoption: <ul style="list-style-type: none"> - Grades TK-6: Benchmark Advance/Adelante - Grades 7-8: Amplify Education 	MOTION
131.851	Board Consideration of Approval of Agreement Between GJUESD and California School Employees Association and its Galt Elementary Chapter #362 Regarding Bright Future Learning Center Technicians and the Early Childhood Education Home Visitor Positions	MOTION

H. Pending Agenda Items

1. School Furniture Analysis and Pilot Programs
2. Governance Team Continuous Improvement
3. Innovation Mini Grants

I. Public Comments for topics not on the agenda

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

J. Adjournment

The next regular meeting of the GJUESD Board of Education: May 24, 2017

Board agenda materials are available for review 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



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: 4/26/17	Agenda Item: Closed Session
Presenter: Karen Schauer	Action Item: Information Item: XX

1. CONFERENCE WITH LABOR NEGOTIATOR, Government Code §54957.6
Agency Negotiator: Karen Schauer, Tom Barentson, Donna Mayo-Whitlock, Claudia Del Toro-Anguiano
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Board Meeting Agenda Item Information

Meeting Date: 4/26/17	Agenda Item: Communications
Presenter: Karen Schauer	Action Item: Information Item: XX

1. Sacramento County Office of Education: 2016-17 Second Period Interim Report

David W. Gordon
Superintendent

April 17, 2017

BOARD OF EDUCATION

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Harold Fong, M.S.W.

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

SUBJECT: 2016-2017 Second Period Interim Report

Dear Superintendent Schauer:

After submission of the Second 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 Second 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 \$2,457,047 in 2016-2017, \$761,040 in 2017-2018, and \$695,089 in 2018-2019.
- The district continues to project declining enrollment and is expecting a decrease of 45 ADA in 2016-2017, 46 ADA in 2017-2018, and 14 ADA in 2018-2019.

We continue our request that the district provide the following:

- We note that the certificated and classified bargaining units have not settled collective bargaining for the current year. Before the district's board of education takes any action on a proposed collective bargaining agreement, the district must meet the public disclosure requirements of Government Code section 3547.5 and the California Code of Regulations Title V, section 15449. **Please submit the public disclosure of the collective bargaining agreement to the county office for review at least ten (10) working days prior to the date the governing board will take action on the proposed**



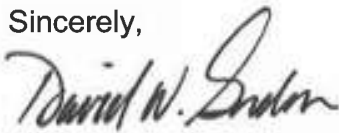
bargaining agreements. This form must also be available to the public at least ten (10) working days prior to the date the governing board will take action on the proposed bargaining agreements. Also, as provided by the State Criteria and Standards, when labor contract negotiations are settled after the adoption of the district's budget, the district must analyze the budget to determine the effect of the settlement, and the governing board must certify to the validity of the analysis within 45 days of the final settlement. Within this 45-day period, the District Superintendent must also send the County Superintendent any revisions to the district's current budget necessary to fulfill the terms of the agreement.

- 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.

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: Kevin Papineau, Board President, GJUSD
Tom Barentson, Business Services Director, GJUSD
Tamara Sanchez, Assistant Superintendent, SCOE
Debra Wilkins, District Fiscal Services Director, SCOE



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Board Meeting Agenda Item Information

Meeting Date: 4/26/17	Agenda Item: Reports
Presenter: Karen Schauer	Action Item: Information Item: XX
<p><u>LCAP GOAL 1</u> <i>Develop and implement personalized learning and strengths-based growth plans for every student that articulate and transition to high school learning pathways while closing the achievement gap.</i></p> <ol style="list-style-type: none"> WestEd Publication: Journey to Personalized Learning – Bright Future: A Race to the Top-District initiative in GJUESD: <i>Karen Schauer, Superintendent</i> Personalized Learning Plans Next Steps: <i>Claudia Del Toro-Anguiano, Curriculum Director and Jamie Hughes, Coordinator of Instructional Technology & Innovation Integration</i> <p><u>LCAP GOAL 2</u> <i>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.</i></p> <ol style="list-style-type: none"> Summer Learning Supports and Opportunities: <i>Donna Whitlock, Educational Services Director</i> Outdoor Education <ul style="list-style-type: none"> Canoe Mobile Program: <i>John Durand, Service Learning Coordinator</i> <p><u>LCAP GOAL 3</u> <i>Processes and measures for continuous improvement and accountability are applied throughout the LEA including personalized evaluation processes.</i></p> <ol style="list-style-type: none"> Multi-Tiered System of Supports and Special Education: <i>Jamie Hughes, Coordinator of Instructional Technology & Innovation Integration</i> Local Control Accountability Plan (LCAP) Next Steps: <i>Karen Schauer, Superintendent</i> <p><u>LCAP GOAL 4</u> <i>Maintenance, grounds, custodial, food services, and health staff maintain all school facilities that are safe, healthy, hazard free, clean and equipped for 21st Century Learning.</i></p> <ol style="list-style-type: none"> Measure K Update: <i>Tom Barentson, Business Services Director</i> <p><u>OTHER</u></p> <ol style="list-style-type: none"> Employee Negotiations Update and Next Steps: <i>Karen Schauer, Superintendent</i> <ul style="list-style-type: none"> GEFA Tentative Agreement and MOU Ratified CSEA Negotiation Session May 8, 2017 Williams Quarterly Report: <i>Karen Schauer, Superintendent</i> 	



LCAP GOAL 1

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1. WestEd Publication: Journey to Personalized Learning – Bright Future: A Race to the Top-District initiative in GJUESD: *Karen Schauer, Superintendent*
2. Personalized Learning Plans Next Steps: *Claudia Del Toro-Anguiano, Curriculum Director and Jamie Hughes, Coordinator of Instructional Technology & Innovation Integration*

Journey to Personalized Learning

***Bright Future: A Race to the Top-District
Initiative in Galt Joint Union Elementary
School District***

Betsy McCarthy, WestEd
Karen Schauer, Galt Joint
Union Elementary
School District

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, and Georgia to Illinois, Arizona, and California, with headquarters in San Francisco.

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Overview

The concept of “personalized learning” is fairly new in K–12 education; however, the intriguing practice of providing individualized, targeted, just-in-time learning opportunities for every learner is capturing the interest of practitioners and policymakers across the United States (EdWeek, 2014 Project Tomorrow, 2016). Over the past few years, policies and funding sources supporting personalized learning have grown significantly (Banister, Reinhart, & Ross, 2015 Bill & Melinda Gates Foundation, 2014; U.S. Department of Education, 2017). As various personalized learning models and strategies are being put into practice, researchers now have an opportunity to study the implementation and effectiveness of personalized learning (Bingham, Pane, Steiner, & Hamilton, 2016). Though several early studies and evaluations of personalized learning have reported positive results (Pane, Steiner, Baird, & Hamilton, 2015; Patrick, Worthen, Frost, & Gentz, 2016; U.S. Department of Education, 2017), there is an urgent need for research to examine and understand how schools and districts are implementing personalized learning.

What Is Personalized Learning?

Definitions of personalized learning often focus on the individualized instruction and support provided to students, often involving blended learning that integrates technology and digital tools to support students’ learning in various ways. For instance, Bingham, Pane, Steiner, and Hamilton (2016) define personalized learning as “a technology-based instructional model designed to tailor instruction to student needs, strengths, and interests to promote mastery of skills and content” (p. 2). Other definitions do not mention technology, and focus instead on meeting the individual needs of students in order for them to be successful. For instance, the U.S. Department of Education (2017) defines personalized learning as instruction in which the pace of learning and the instructional approach are optimized for the needs of each learner. Learning objectives, instructional approaches, and instructional content (and its sequencing) may all vary based on learner needs. In addition, learning activities are meaningful and relevant to learners, driven by their interests, and often self-initiated.

Personalized learning typically provides learners a degree of choice in how and what they learn, which ultimately allows learners to build upon their individual strengths, needs, motivations, and goals. According to EdWeek (2014), personalized learning often encompasses:

- Competency-based progressions: Students’ progress toward clearly defined goals is continually assessed.

- Flexible learning environments: Students' needs drive the design of each individualized learning environment.
- Personal learning paths: All students follow a customized path that responds and adapts based on their individual learning progress, motivations, and goals.
- Frequently updated learner profiles: All students have up-to-date records of their individual strengths, needs, motivations, and goals.

Moreover, with personalized learning, frequent informal measurement of students' progress, areas of need, motivations, and goals allows educators and digital learning resources to adapt instruction in real time to best support learners' needs (Bill & Melinda Gates Foundation, 2014; U.S. Department of Education, 2017).

Bright Future: A Personalized Learning Initiative

In 2012, Galt Joint Union Elementary School District (GJUESD) in Galt, California was awarded a \$10 million federal Race to the Top-District (RTT-D) grant to implement personalized learning for its learners' and educators through a districtwide initiative called Bright Future. Located in California's San Joaquin Valley, the small to mid-sized (~3,900 students) district supports a population of diverse learners. For instance, the percentage of students classified as low-socioeconomic status ranges from 40% to 81% across the district's schools; the percentage of students classified as English language learners ranges from 8% to 55% across each of the district's schools; and the percentage of students receiving special education services ranges from 13% to 17%. During the first three years of the RTT-D effort, GJUESD created the necessary infrastructure for the initiative, and then implemented personalized learning for all of its transitional kindergarten (TK) to grade eight learners.² To implement the initiative, the district made profound, yet coordinated, changes to district, school, and out-of-school policies and practices. The efforts resulted in a unique and integrated system that is designed to support every learner's strengths and individual learning needs.

Evaluating the Bright Future Initiative

Though personalized learning policies and funding sources are increasing (Banister, Reinhart, & Ross, 2015; Bill & Melinda Gates Foundation, 2014; U.S. Department of Education, 2017), there remains a strong need to identify best practices in personalized learning and to articulate its benefits and challenges. WestEd has been conducting an evaluation of GJUESD's Bright Future initiative that speaks to this need, as it examines the

¹ The GJUESD community uses the terms "learner" and "student" interchangeably.

² GJUESD also implemented aspects of personalized learning in the district's preschool.

various components of the district’s personalized learning initiative, and describes specific implementation successes and challenges. WestEd’s mixed-methods descriptive evaluation study (see Appendix A for details on the evaluation methodology) addressed the following overarching research questions:

1. How was personalized learning implemented at the district level?
2. How was personalized learning implemented at the school level?
3. What were the benefits of personalized learning for learners and educators?
4. What were the challenges in implementing personalized learning?

Results from WestEd’s evaluation of the Bright Future initiative can provide useful knowledge for administrators, teachers, researchers, policymakers and others about how personalized learning can be implemented in small and medium-sized school districts that support ethnically and economically diverse populations of learners. Accordingly, this paper describes the framework and components of GJUESD’s Bright Future initiative; presents excerpts of case studies on GJUESD schools currently implementing personalized learning; and shares feedback from focus groups and interviews with GJUESD educators, administrators, and parents on the successes and challenges of implementing personalized learning at the school level.

The Bright Future Initiative: Framework and Components

The federal Race to the Top-District program supports bold, locally directed improvements in learning and teaching that will directly improve student achievement. Upon receiving funding, GJUESD implemented the Bright Future initiative, an innovative program to evolve the district's strategic planning efforts to incorporate RTT-D objectives. One goal of the initiative was to allow the district to move from a student-centered proficiency model to a learner-centered growth and achievement model as a basis for instruction and learning, which in turn would maximize growth and achievement. The project allowed for TK to grade eight learners to experience personalized learning in their classrooms and in multiple other environments, including in their school library, which was transformed into a tech-rich, extended-hours community space called a Bright Future Learning Center; in afterschool clubs with activities focused on Common Core State Standards (CCSS) and Next Generation Science Standards (NGSS); in school-based and off-site outdoor service-learning activities; and in learners' homes.

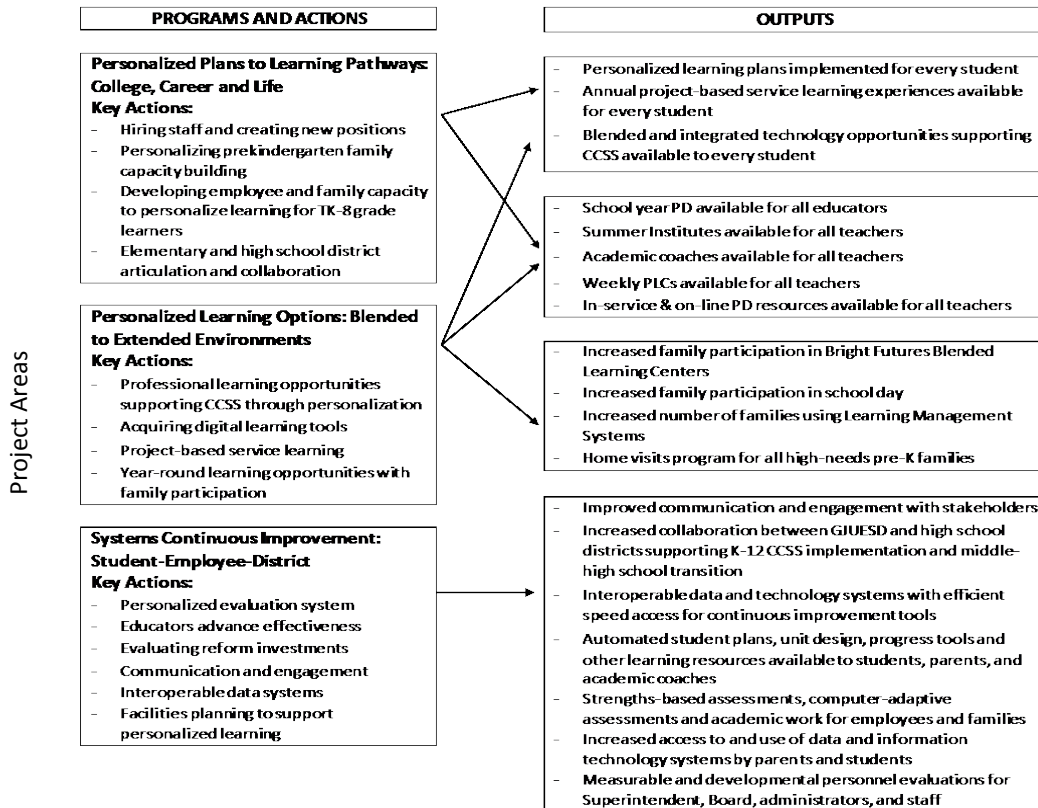
Theoretical Framework

The theoretical framework that guided planning and implementation of the Bright Future initiative included implementing three interconnected project areas:

1. *Personalized Plans to Learning Pathways: College, Career, and Life.* These are locally designed personalized learning plans (PLPs) for TK through grade eight learners related to their college, career, and life pathways. The PLPs are designed to help educators and learners set goals and track progress. The information that PLPs provide also informs educators as they make decisions on the use of digital learning resources, face-to-face and small group instruction, and other learning opportunities. The information in the PLPs can also inform updates to learners' daily schedules to better reflect the interests, needs, and talents of each learner.
2. *Personalized Learning Options: Blended to Extended Learning Environments.* Examples of these learning environments include the Common Core State Standards being implemented and applied in classrooms, school libraries, community settings, virtual platforms, and other expanded learning environments.
3. *Systems Continuous Improvement: Learner-Employee-District.* This area of the initiative includes processes, tools, and measures for continuous improvement and accountability that are applied throughout the system with personalized evaluation practices.

Figure 1, taken from the Bright Future initiative’s logic model, shows key programs and actions for each project area; projected “outputs” (structures, tools, and resources) produced by these key programs and activities; and the relationships between project areas and outputs.

Figure 1. The Bright Future Initiative Logic Model



Note: The figure illustrates the programs and actions related to each of the three project areas; the projected outputs (structures, tools, and resources); and the relationships between project area and outputs.

PD stands for “professional development” and PLC stands for “professional learning community.”

The initiative’s theoretical framework specifies that by implementing these three project areas, the district will move from a student-centered proficiency model to a learner-centered growth and achievement model as a basis for instruction and learning. It indicates that these changes will maximize growth and achievement.

Key Districtwide Structures, Tools, and Resources to Support Personalized Learning

Districtwide implementation of the Bright Future initiative — which involved implementing each of the programs and actions detailed in the initiative’s logic model — brought new products and tools to GJUESD, as well as new ways of thinking, working, communicating, and learning. A number of structures, tools, and resources played important roles in the effective implementation of the initiative, including:

- Personalized learning plans
- Blended and integrated technology opportunities
- Bright Future Learning Centers
- Strength-related assessments
- Computer-adaptive assessments
- Learning management system
- Personalized educator professional learning and growth cycle
- Extended learning opportunities and annual project-based service learning

Following a detailed strategic plan over the first three years of the Bright Future initiative, district leaders worked with schools to implement these structures, tools, and resources (described in the sections below) at all schools in GJUESD.

Personalized Learning Plans

Personalized learning plans (PLPs), stored and accessed via the district’s data and learning management platform, are a cornerstone of GJUESD’s Bright Future initiative. Every learner, TK through grade eight, has an individual PLP that is updated to reflect changes in learner information related to grades, learning, and goal setting (see Appendix B for a sample personalized learning plan). The PLPs store dynamic information in multiple sections, including:

- *Learner profile*: A section focusing on learning information, with CCSS growth data, district assessments, and engagement information (e.g., learners’ strengths and attendance data).
- *Goal-setting*: A section focused on goal setting that includes goal-setting information on reading/language usage, mathematics, engagement, English language development for English language learners, and service-learning.
- *Performance progress*: A section that includes a grade report.

Educators and learners frequently use PLPs to reflect on individual learner data, participate in individualized goal setting, and blend digital learning resources with face-

to-face instruction to work toward goals. The PLP online platform includes drop-down menus with suggested activities and the platform enables users to designate stakeholders (e.g., educators, parents, instructional assistants, school social workers, afterschool staff) who will support the learner’s goals and actions.

Through the PLPs, educators and parents have weekly access to updates on learners’ progress and accomplishments. The PLPs represent a shift away from the “traditional” trimester report cards toward the district’s new ongoing growth and achievement model. The PLP is a goal-setting tool designed to facilitate frequent reflection and discussion — by capturing and reporting multiple sources of data at frequent intervals, learners, as well as their educators and parents, can monitor growth and set goals for achievement in specific areas.

Blended Learning and Integrated Technology Opportunities

The Bright Future initiative brought a wealth of technology and opportunities for blended, virtual, and other types of digital learning to GJUESD. Blended learning involves integrating various technology tools and platforms into the learning process, alongside “traditional” classroom instruction, in order to support learning by tapping into additional modalities that can, ideally, engage more learners. For instance, Chromebook laptop computers were made available to every GJUESD classroom, and the district is approaching a one-to-one learner to device (laptop or tablet) ratio districtwide. Broadband was strengthened, so connectivity for each school and classroom is robust. Learning platforms, accessible to all learners and educators, deliver courseware that supports learning in reading/language, mathematics, science, and English language development. The courseware is adaptive, meaning it adjusts support and learning activities to best target learners’ specific learning needs.

Bright Future Learning Centers

In the first year of the Bright Future initiative, all school libraries in GJUESD were transformed into Bright Future Learning Centers, or BFLCs. BFLCs are open daily — both after school and throughout the summer — at every school location to offer safe, caring, and connected learning support and opportunities. These resource- and technology-rich centers have become hubs for extended learning opportunities. Each center is well-stocked with Internet-connected computers and tablets for use at the center and for “checking out” to take home. For instance, families can explore options for clubs and other afterschool activities, including off-site service-learning activities. With computers available for use, learners can also use the BFLCs to participate in virtual courses and to complete homework, use digital tools, courseware, and learning platforms. And, with

extended hours during the school year and summer, learners' families are welcome to visit BFLCs to chat with bilingual staff and to use technology and the Internet.

Strength-Related Assessments

Educators, administrators, staff members, and learners in grades four to eight in GJUESD take the Gallup Strengths Finder Survey, which identifies each individual's three strongest strengths or talents. By identifying individual strengths, the survey supports the district's efforts toward personalization and building a culture that recognizes and maximizes each individual's strengths. Educators, administrators, and staff members often identify their strengths publically, for instance, on email signatures, nametags, and office signs.

For each learner, the three strongest strengths or talents identified by the Gallup Strengths Finder Survey become part of the learner's PLP and they are included in the PLP information to parents. Learners are also made aware of their strengths and talents, and this awareness plays a part in the engagement goals that learners make on their PLPs. Educators encourage learners to apply their strengths and talents daily, and they provide activities to help develop and nurture learners' strengths and talents.

Learners in grades five to eight also take the Gallup Student Poll each year. The poll anonymously measures hope, engagement, entrepreneurial aspiration and career/financial literacy. The web-based survey is administered in the fall of each school year and supplies educators, administrators, and community leaders with actionable data. Results of the poll are disaggregated by classroom, school, and district, and are discussed with district staff, the school board, and at annual community outreach meetings. The results are also reported in the district's Annual Performance Report to the U.S. Department of Education.

Computer-Adaptive Assessments

Since year one of the Bright Future initiative, all learners from TK to grade eight have taken the CCSS-aligned NWEA Measures of Academic Progress (MAP) English language arts and mathematics assessments three times per year. The MAP assessments address reading, language usage, and mathematics. The assessments are accessed via computers and are adaptive, meaning that the difficulty of each question is based on how well the learner answered all the previous questions.

The detailed MAP assessment data is valuable in measuring learners' growth in English language arts and mathematics. Along with other district assessments, including the district reading and writing assessments and the recently introduced Smarter Balanced assessments for English language arts and mathematics, the MAP assessment allows learners, educators, and families to follow learners' progress on specific academic skills. In

addition, data from the adaptive assessments guide each learner's individual blended learning experiences by allowing their online coursework to be adjusted based on current ability level.

Learning Management System

The district uses a comprehensive and integrated learning management system, Illuminate, which allows educators and administrators to create, store, and update PLPs. A parent portal provides anytime access for parents and caregivers to view their children's ongoing classroom progress and accomplishments. All schools and educators are provided weekly learner information online using a single system for performance and engagement data.

Educator Professional Learning

In similar fashion to the learners in their classrooms, educators also personalize their own professional growth by setting personal learning growth areas and creating strategies to meet those focus-area goals. Specifically, each educator creates a professional growth plan that involves selecting a content or pedagogy focus area, indicating a district strategic plan goal, and identifying a need. Based on their professional growth plans, educators take part in personalized learning experiences during the school year. Professional learning opportunities are available to educators via professional learning communities, online resources and courses, and opportunities to attend professional learning conferences.

In addition, educators respond to reflective questions from their administrator mid-year and at the end of the school year. The year-end reflective conferences serve as a starting point for the professional learning cycle in the new school year.

Extended Learning Opportunities and Project-Based Service Learning

The Bright Future initiative promotes year-round learning beyond the classroom by offering a wide range of CCSS- and NGSS-focused afterschool activities and clubs, school-based and off-site outdoor service-learning activities, and rich summer learning opportunities. This expanded learning program operates at every school across the district. Afterschool activities and summer camps include intentional connections to college and career planning, mathematics and reading components, and strengths-development by support staff trained in youth development principles. These outside-of-school learning opportunities and resources are made possible through efforts with partner organizations.

Each year, over 2,500 TK through grade eight learners participate in project-based service learning. Learners engage in these service-learning projects in a range of learning spaces,

including school-site outdoor nature areas, garden habitats, and the nearby Nature Conservancy preserve. An online toolkit entitled *Invisible Walls: Learning Beyond the Classroom*, is available on the GJUESD website for “one-stop” access to help learners identify and register for service learning activities in outdoor and community settings.

Implementing Personalized Learning at the School Level: Case Study Excerpts

With the support of GJUESD, every school in the district put into place all of the structures, tools, and resources prescribed by the Bright Future initiative (as described in the previous section). Analysis of educator and administrator interviews and focus groups showed that implementing these personalized learning structures, tools, and resources has resulted in important changes in the way that instruction and learning take place in GJUESD schools.

Educators mentioned that teaching with a focus on personalized learning has led to finding new ways to address the abilities and interests of individual learners. By thinking “out of the box,” gathering and sharing ideas with other educators, and testing innovations on a small scale before putting them into practice with the entire class, educators reported finding ways to effectively implement personalized learning.

The shift to personalized learning in GJUESD has also resulted in creativity and flexibility in classroom systems. Examples include using rotation models between classrooms that allow learners to occasionally move to different classrooms for certain subject-matter instruction that will benefit them the most; using flexible seating to allow learners to choose the position in the classroom where they learn best; creatively transforming classrooms into alternative spaces like an underwater world or Jurassic Park; and making instructional adjustments to account for learners’ formative assessment results or social-emotional observations.

Educators’ instructional approaches have also shifted in various ways. For instance, within a single subject like math, some educators reported implementing multiple curriculum pathways tailored to different learner levels. And, as one administrator cited from an English lesson she observed, teaching about metaphors can involve visualization, drawing activities, and using alternate approaches that generate what they referred to as “different opportunities to access the content.” One educator noted, “What we’ve accomplished this year is more than I’ve ever accomplished in any year, but in a different way. I’ve almost never used a textbook this year but taught everything through other means.”

In this section, we provide excerpts from four case studies to illustrate examples of the learning and instructional shifts that have been taking place at schools in GJUESD.

Case Study Excerpts

WestEd researchers used case study research methods to investigate how the Bright Future initiative was being implemented at individual schools. Case studies were created for six GJUESD schools from which data were collected. Review of the final case studies showed that, while each school implemented all key programs and actions specified in the initiative's logic model, each school found unique and innovative ways to implement personalized learning. Brief excerpts from case studies of four schools in the GJUESD are presented below.

Greer Elementary School: Using Technology to Support Learning

The Bright Future initiative provided learners with access to diverse online resources and technology. It also supported the expansion of the wireless infrastructure, and Greer Elementary now uses over 500 Chromebooks and 70 tablets every day. Learners have access to a multitude of online educational resources, which study participants said allow for greater differentiation and individualized instruction for every learner. Greer has also been able to expand opportunities for learners to demonstrate their learning through technology, including through the use of a new media center. Educators commented that the increased access to technology was key to supporting a personalized, blended learning environment. Typical comments included, "One of the single best things that came out of the grant is the technology," and, "It really helps us with personalized learning...That's really where you individualize for learners in...a very meaningful way."

Online programs such as Lexia Learning, Compass Learning Odyssey, Accelerated Reader, and Khan Academy have helped to accommodate differences in student academic preparation, as in the case of an out-of-state transfer student who entered second grade with below-grade-level skills and content knowledge. This student was able to work on kindergarten-level material that matched his current achievement level, while continuing to be supported by these digital platforms as he progressed towards mastery of grade-level content.

Lake Canyon Elementary School: Personalization Within and Beyond the Classroom

Lake Canyon Elementary School's model for personalized learning is driven by a commitment to college and career readiness. With more than 20 afterschool clubs, Lake Canyon has generated a wealth of indoor and outdoor learning opportunities that directly align to building students' civic, college, and career readiness. Crucial partnerships with parents, community members, and businesses have added to Lake Canyon's success in delivering a wide range of offerings and learning experiences. Club offerings range from

knitting, to robotics and mechanical engineering, to art and mural design. These indoor club offerings are complemented by distinctive outdoor service learning experiences, including pollinator gardens. As one administrator shared in an interview:

Now we have kids, three years in, in the classroom, who know robotics, computer programming (who have built their own animations), and performing arts and who understand other cultures and the food of other cultures because they've had opportunities to engage in [those things]. That goes back to the classroom and it becomes part of the student choice model.

Lake Canyon Elementary School's afterschool-learning, outdoor-learning, and service-learning opportunities help introduce learners to possible future pathways and interests they might pursue. This approach aligns closely to the school's overall attitude toward personalization. As an administrator stated:

It truly is about knowing each and every student deeply. What are their interests? What excites them? What are they passionate about? Then providing them real access — not just talking, but doing — to explore and engage in those opportunities.

Marengo Ranch Elementary: Genius Hour

Genius Hour, an initiative that was introduced in third through sixth grade classrooms at Marengo Ranch Elementary, allows learners to explore their own passions and encourages creativity in the classroom. Within a designated block of time in the school day, learners are offered a choice of what they would like to learn, allowing them a unique opportunity to direct and take ownership of their own learning. With basic parameters from their educators, learners can select a topic they are interested in, engage in research to learn more about the topic, and find a creative way to present their findings to the class.

Genius Hour allows learners to harness their creativity, conduct research, and develop presentation skills around a topic they feel personally invested in. An administrator at Marengo Ranch highlighted the value and impact of the Genius Hour initiative on learners and educators:

I think the Genius blocks have been critical. Because they have really opened the teachers' eyes to, "You know what? These kids really can self-select topics to research and study — topics they're interested in." I think [the teachers] really understand now that [the Genius block] is so engaging for the kids. It's meaningful for them. You want them to have that buy-in to what they're doing in the classroom. That's been a huge part of it.

River Oaks Elementary: Flexible Seating

At River Oaks Elementary, several grade levels introduced flexible seating arrangements in the classroom to help create a personalized learning environment. Educators from the fourth and fifth grades physically transformed their classrooms away from traditional layouts to allow learners to move around within the room and change position based on what is most comfortable for them. These flexible seating options, which help accommodate different learning styles and incorporate learner choice, appear to be having a positive effect on learners' involvement in learning and collaboration. Teachers expressed that the new and varied seating options make it easier and more natural for students to work together in groups and stay engaged throughout the school day. One administrator said:

Kids aren't just sitting in the same desk or chair all day. They are able to get up and move around the room and use the seating that suits them the best. I think that's helped with engagement and motivation. Students are saying, "Oh it makes it exciting because we never know where we're going to get to sit and we feel like our teachers are listening to our needs."

A teacher described the joy that ensued for students as a result of being able to take control and come to understand where and how they learn best:

We had an occupational therapist come in and explain [to the students] some of the different options that we were giving students and what it would offer students. To see the [students'] faces light up because they understood for the first time why they were more comfortable laying on the floor to do their writing than they were sitting at a desk. They were so excited that it was real, it wasn't just their imagination playing with them. There was a reason behind it.

The Bright Future Initiative: Implementation Successes and Challenges

To evaluate the implementation of the Bright Future initiative, WestEd researchers conducted site visits as well as focus groups and interviews with educators, administrators, and parents. This section presents selected findings and quotes about successes and challenges related to the various components of the initiative.

Overall Shift to Personalized Learning

In focus groups and interviews, educators, parents, and administrators were enthusiastic about the district's shift to personalized learning, particularly the new and diverse learning options and environments. A majority of participants mentioned that schools and classrooms had changed tremendously, and that the learners were engaged in new ways of learning. As one parent commented:

It seems to me as if [my kids] are always sharing with me new ways they're learning. They seem to be always excited about it, which I really appreciate.

Similarly, an administrator described the positive effect that the shift towards personalized learning has had on how learners are motivated:

What's changed about their learning is that it's evolving into more than sit and receive from the teacher and spit back what you think the teacher wants to hear. It's becoming a more creative process where students are a little bit more responsible for their learning in terms of utilizing the technologies that are available.

Despite these changes, one challenge faced by the district during implementation of the Bright Future initiative was ensuring that programs and actions were implemented consistently across all schools and in all classrooms. For instance, parents voiced concerns that their children's teachers were not all employing personalized learning at the same capacity. In a focus group, one parent stated:

The individualized learning needs to be heard and done by every teacher...I think more teachers need to get on board with that quicker.

Challenges in implementation were particularly acute in the middle school, where educators often work within one academic domain instead of teaching multiple subjects to one group of students. Middle school teachers expressed that they would benefit from additional support through professional learning opportunities geared toward the grade levels and subjects they teach, noting that much of the professional development opportunities around personalized learning seemed to cater more to the elementary grades.

Personalized Learning Plans

Personalized learning plans (PLPs), which have replaced report cards in the district as a way to document learners' progress, have been an important tool in reshaping and redefining learners' learning experiences. According to analyses of educator focus groups and interviews, PLPs have helped allow learners to learn at their own pace, marking an important change in practice. As one educator explained:

I think we address some of the things with this grant through personalized learning plans that parents have been concerned about for a long time, [such as,] “Why is everybody [expected to go] at the same pace?” Because not everybody is up to the same pace. So I think it’s been a benefit to the kids.

In addition to helping educators support all their learners through differentiated learning, PLPs also encourage educators to critically consider and adjust their approaches to teaching. As indicated by one educator:

It has been more of a learning thing for us [educators]. I think it’s probably more helpful for us than the kids, in terms of getting us to think about [the] individual — like, “What does this group of kids need to work on?” or “What does this child need?”

Similarly, one administrator noted:

[The PLPs have] definitely made [educators] think more about what they can do to personalize their instruction.

The use of PLPs has also resulted in increased parent awareness of their children's progress. The data suggest that the PLP offers parents a more comprehensive view of their child's progress. As one parent commented:

It seems to me [the PLP] is more personalized and more direct. I see exactly where [my children are] excelling, where they're not. It's more than just the grade and a comment by a teacher. They're looking into all things: their effort, their ability, their getting along with others.

Though participants widely agreed that the PLP is a useful document, some educators and parents mentioned that the PLP is sometimes difficult to interpret, particularly for parents. Because the PLP has many more details than the traditional report card, parents were often confused by all the data and terms on the PLP. While the PLP has been refined and made easier to understand over the past year, additional revisions are likely still needed to enhance parents' understanding of the document as well as to reduce the time and effort that teachers spend preparing PLPs. As one educator explained:

Preparing the PLP is very cumbersome. But I do see that evolving. There's been little tweaks along the way, but there still needs to be more changes. I think there's so much information for parents, I think they're overwhelmed. I know for myself as a parent that I just think...I [understand] a lot of it because I'm a teacher, but someone who's not necessarily in this field...I just don't think they pay attention to as much of the information, so I kind of think less is more.

Transitioning to a Growth Model

Educators indicated they felt the PLPs represent a positive transformation away from trimester report cards toward ongoing growth, goal-setting and achievement plans. One educator said the PLP is a living document that is the focus of reflection and discussions with learners, educators, and parents. A significant finding from the educator focus groups was that the PLP is viewed as a useful tool for monitoring and highlighting learner growth. As one educator noted:

A "pro" is that I can see some of the student growth. It's a good tool for me. The concept overall, it's wonderful. It's wonderful to have that growth model instead of saying, "They have to meet this benchmark." Parents dread coming and hearing, "Oh, they didn't meet the benchmark." The other exciting part about the growth visuals [in the PLP] is the kids love them. You show them, "Look, you were here, and now you're here — oh my gosh!" Celebrate all that.

Goal Setting for Learners

Educators and parents indicated that by allowing learners to reflect on their learning paths and create their own goals, learning becomes more personalized and learners can take a degree of ownership in their learning. In focus groups and interviews, educators and parents recognized the value of the goal-setting process as an important experience for learners, and as a way for parents and educators to understand and help guide individual learner growth. One educator described the importance of goal setting as follows:

My biggest takeaway from the whole Race to the Top grant has been goal setting for the students, and giving them a little bit more choice...It's part of them now and they know about goal setting.

Similarly, one parent explained:

[The goal-setting process] makes [learners] more aware of what they might need to work on, or the areas that they struggle with, and it calls attention to these...It gives them initiative to work on it.

A number of educators mentioned in focus groups that the act of goal setting raises awareness for learners' own growth and introduces an aspect of accountability in the classroom. One educator commented:

I was so thrilled with this part of personalized learning, that they took complete control...Setting their own goals and knowing what their weaknesses are and what they need to work on. I think that's so important...You're totally holding them accountable.

Educators also shared that introducing goal setting has come with some challenges. For instance, teachers discussed that it can often be difficult to track student completion of certain goals:

If I say [the goal is to] go to the Bright Future Learning Center, I don't know if they met that goal because I'm not walking them there every day. No one is taking roll every day if they need to use the Learning Center. So I want something tangible that I can [measure] — and that part's not optioned.

Several teachers also shared that the expectation for the younger students to be capable of creating their own goals was unrealistic. As one teacher stated:

At a primary grade they're supposed to choose their own goals. My kids don't even know what their snack or their lunch is. So the idea is [good], but the practicality is lacking.

Bright Future Learning Centers

Analysis of educator, parent, and administrator focus groups and interviews indicated that the Bright Future Learning Centers (BFLCs) were important to the success of personalized learning at their schools. Hosting afterschool clubs, summer programming, and various other activities during the school day, BFLCs have become a valuable feature for schools across the district. As one administrator explained:

Learning centers that are open after school and during vacations, including summer vacation, the different clubs that are offered, the different options that are available to students through the BFLC — I think is outstanding. It just gives students opportunities to extend their learning in different ways other than [just classroom] math, writing, and reading. The kids love it.

Interview findings also highlighted the important role that BFLCs play for the larger community, beyond the school, as a resource for information, services, and access to technology. As one parent commented:

The BFLC is the biggest, biggest, biggest blessing for us...[At] this school, a lot of students didn't have access to a physical computer...I've seen moms in there with little ones to utilize the services.

Educators also noted the value of the BFLC to parents and community members:

We see a lot of parents come in, and even daycare providers will come with the students so that they can receive the services they need that can't necessarily be accessed at home.

Technology, Digital Tools, and Blended Learning

Findings from focus groups and interview data revealed positive feedback on the increased access to technology (such as laptops and tablets) that resulted from the RTT-D grant. Administrators agreed that the new technology served as a valuable tool for personalized learning. As one said:

Probably some of the biggest successes [in the initiative] have to do with the way we are able to use technology now to personalize learning and how we've been able to expand almost one-to-one devices to students.

Another administrator mentioned that as educators became familiarized with technology and digital tools, their teaching methods changed, allowing them to make instructional decisions based on individual learners' needs and strengths:

As you go from classroom to classroom, you'll find that teachers, when they have this kind of suite of tools available to them, they make choices based on

the needs of their learners. So it looks very different from grade level to grade level and classroom to classroom.

One educator described how she used information from the Lexia literacy courseware to make instructional decisions for a struggling learner:

Lexia has diagnostic testing that tells me, “They don’t understand phonics. They don’t know sight words. They don’t know how to do syllables.” So that really helps me...I personalize their homework with Lexia. So if they are in Unit 4 — that’s a second grade level — I’m pulling everything for level 5 to give them some background knowledge so they can move forward.

The increase in technology and digital tools available to students and teachers provided ample opportunities for blended learning in the classroom, allowing educators to integrate technology and digital platforms into lessons to complement their more traditional instruction. Overall, educators, parents, and administrators largely consider blended learning to be a positive addition to the district’s elementary and middle school classrooms. Educators described positive outcomes of the use of blended learning, including increased involvement in learning, new ways to solve problems and communicate, and an increase in self-directed learning. One educator commented:

Kids like using [the technology], so they’re more motivated to do math, or write. They can [include] pictures. For instance, I have a writing club, and they find pictures of whatever it is they’re writing about, like a shark. So they’ll put a shark on their paragraph page. They’re super proud of their work...I think it’s definitely improved the kids’ interest and motivation. I love the technology. [I have seen] leaps and bounds as far as what they [the students] can do online compared with pen and paper...Even my reluctant writers will go on the computer and start typing and stuff.

Another educator shared:

My kids are on the Chromebooks daily, and all of their writing assignments are completed on the Chromebooks. We begin with their graphic organizers, transition to rough drafts, edit via shared documents, and then publish. All of it is done with the Chromebooks. The students are highly tech savvy already, but this gives them a specific platform on which to operate. [Students] ask to take the Chromebooks home even when I don’t assign them to do those programs...[They] always [ask for] Prodigy and Khan Academy [courseware] for math. What kid is begging to do math? It’s awesome.

Blended learning has also allowed learners to deepen their research and problem-solving skills and to engage in new forms of communication. One administrator noted:

I think we've kind of lit the fire under them and they all have this little research bug where they wanted to find out information and they're realizing...their Chromebooks have access to all kinds of things. They'll go in there and research and look up things to share with their classmates.

Similarly, one educator noted learners taking initiative to seek out information and to problem-solve:

[The students have] become more independent due to the technology. You know, I've had students go on Khan because they didn't understand what I just taught, and they wanted to go back on Khan just for fun to learn it again. We didn't see that before technology. Their troubleshooting skills are also better — I don't have so many hands being raised over the Internet not working, or they got an error. They're figuring it out. So the problem-solving is higher.

Another administrator mentioned that learners and educators are finding new ways to communicate with each other:

There's more interaction now between teacher and student, especially as they get into the older grades, because they are able to communicate in ways that they didn't really communicate before. Via Google Classroom, via email, via chats or messages or whatever, I think in a way it has allowed them [learners] to take a little more responsibility for their own learning.

While much of the feedback on technology and blended learning was positive, there were also a variety of challenges in the integration of new technology into the learning process. For instance, some educators quickly became familiar with technologies while others were slower to adapt digital tools. Educators reported feeling challenged by having limited time and training to both become proficient in new digital programs themselves and complete the necessary prep to implement them in the classroom:

There's so many programs that are supposed to be so wonderful out there, but if we get trained in five minutes and then go back to class and do it — I don't have the time to sit and set it up for everybody.

Educators also found it to be a significant challenge to deliver seamlessly functioning technologies and digital products. For instance, many educators recounted stories of creating lessons for a class period, then having to change plans at the last minute due to glitches in the required technology. As one teacher recounted:

I think there are a lot of pros and cons to our technology in this district. We'll plan for this epic technology lesson — and then the Internet doesn't work. Or the printers don't work. Or the system kicks the kids out because too many people are on at the same time. You only get helped on the day that

[the technology] person's going to come...So you've got to hurry up and find the next lesson that you would have done on a different day, or come up with something on the fly.

Another educator reflected on the need for consistent information technology support for successful blended learning:

Blended learning depends on the IT support [teachers] have. If teachers don't trust [technology], they won't use it.

Educator Professional Learning

Findings from analysis of educator focus group data from across the district showed educators' satisfaction with activities related to their professional learning, as well as an appreciation for the opportunities provided by the district. A strong majority of educators recognized several major improvements from the past: the increased focus on professional development opportunities and the ability to select their professional learning opportunities. As one educator noted:

I think our district is amazing in the fact that they've given us so much time and resources and coaches and in different ways to learn. So that has been amazing.

The implementation of the Bright Future initiative has also provided educators with an opportunity for growth and self-expression through risk taking and adopting new approaches. Findings from administrator interviews indicated that personalized learning has challenged educators to move beyond their comfort zones and more fully integrate their own passions into their teaching. As one administrator said:

I think Race to the Top has pushed us, whether the teachers know it, pushed us hard to rethink how we teach — step outside the traditional role of the teacher, take some risks, and do some things that we know are going to be better in the long run.

Another administrator reflected on the benefits of a more personalized approach to educators' professional learning:

If the social-emotional needs of my teachers are met, just like with the students, and they have access to operate in their areas of passion...they flourish and they thrive. They love what we're doing with this.

Afterschool and Summer Learning Opportunities

As part of the Bright Future initiative, all schools developed rich afterschool and summer opportunities for learners. Overall, findings showed that educators and parents viewed the afterschool activities, clubs, and summer program opportunities as both unique, engaging, and a complement to classroom learning. According to parent, educator, and administrator focus groups and interviews, the school clubs have created opportunities for learners to engage in new and worthwhile experiences, and for parents to become more involved in their children's education. One educator commented:

The changes that we've seen with parent buy-in through the clubs has been absolutely amazing.

Parents also expressed appreciation for the availability of school clubs and summer programs. Comments from parents included:

I see that this is another thing where my kids can be really excited about doing something that is creative. It's productive. They get to interact with peers on a different level than they may in the classroom. They're obviously doing things that they wouldn't have the opportunity to do otherwise.

Data on Academic Achievement and Engagement

The results of the evaluation of the Bright Future initiative suggest that there have been significant benefits to the use of personalized learning in GJUESD, and academic data from the district reveal various gains in achievement from 2014/15 to 2015/16. In this section, we present data on learners' academic achievement and engagement.

In year three of the Bright Future initiative, as the initiative's key programs and actions were fully implemented, growth in learner academic achievement and in learner engagement were noted from the 2014/15 school year to the 2015/16 school year. Highlights of these findings include gains in measures of academic achievement and student engagement. Notable gains in student academic achievement from 2015 to 2016 include the following:

- The percentage of pre-kindergarten students who met all reading benchmarks, as measured by the District Reading Assessment,³ went from 51% to 62%.
- The percentage of first grade students who met all reading benchmarks, as measured by the District Reading Assessment,⁴ went from 52% to 60%.
- In 2016, MAP assessment results showed gains in mathematics achievement for grades 1, 2, 4, 6, 7, and 8, when compared to 2015 scores.
- Findings on the Smarter Balanced state assessment showed that, from 2014/15 to 2015/16, the percentage of GJUESD students who met or exceeded the specified achievement level for their grade increased by 5.3% on the English language arts/literacy component and increased by 2% on the mathematics component.
- Findings from the Smarter Balanced state assessment also showed achievement gains, from 2014/15 to 2015/16, of 8.9% for grades 4 and 8 on the reading/English language arts component.
- Findings from the Smarter Balanced state assessment also showed achievement gains, from 2014/15 to 2015/16, of 8.9% on the mathematics component.

³ The GJUESD Pre-K District Reading Assessment includes items adapted from the Pre-K Houghton Mifflin Harcourt Reading Assessment. The assessment was modified to align with the preschool assessments used by other First 5 school readiness districts.

⁴ The GJUESD K-8 District Reading Assessment includes items adapted from the California Reading and Literature Project and the Dynamic Indicators of Basic Early Literacy Skills reading passages.

- Children from low-income communities in grades 4 and 8 showed substantial gains from 2014/15 to 2015/16 on the Smarter Balanced state assessment in both reading/English language arts and math achievement.
- 67% of GJUESD learners met individual reading goal targets assessed through the MAP assessment, with 45% exceeding the targets.
- 70% of GJUESD learners met individual math goal targets assessed through the MAP assessment.
- The number of course failures in the district decreased by 19.4%.

In addition, gains in student engagement from 2015 to 2016 include:

- Decreased suspensions rate from 131 to 127.
- Increased attendance rate (learners with an attendance rate of 95% or above) from 37% to 40%
- Individual engagement goal accomplishment increased for every significant subgroup and ethnicity (grades 4–8) from the previous year as noted in students' Personalized Learning Plans.

The GALLUP student poll, measuring hope and engagement in learners in grades 5–8, also showed significant gains from 2015 to 2016.

- Engagement scores increased in the district from 4.10 to 4.11 (the U.S. average for 2016 is 3.88).
- Scores from the measure of hope increased from 4.32 to 4.37 (the U.S. average for 2016 is 4.24). In addition, individual survey item scores related to hope were impressive:
 - 93% agreed or strongly agreed that they will graduate from high school. Not one learner disagreed.
 - 92% agreed or strongly agreed that they will have a good job in the future. Not one learner disagreed.
 - 88% agreed or strongly agreed that they have a great future ahead of them.

Conclusion

This evaluation study provides an example of a small to mid-size school district that implemented a Race to the Top–District initiative focused on personalized learning. The district used a unique combination of programs and actions to implement the project that could provide a compelling example to educators, administrators, policymakers, and others interested in gaining a better understanding of effective personalized learning models. By providing more individualized and differentiated learning experiences for learners, focusing on goal-setting and learner choice, and broadening the everyday contexts where learners encounter personalized learning, GJUESD has been finding ways to engage and support learners to achieve college and career readiness.

Implementing the Bright Future initiative in GJUESD involved change at every level of the district, and involved thousands of stakeholders. Despite surmounting and continuing to work through various challenges associated with this major initiative, GJUESD has been successful in implementing personalized learning across all of its schools by building a coherent initiative based on: (1) personalized plans to learning pathways for college, career, and life; (2) personalized learning options involving blended and extended learning environments; and (3) continuous systems improvement that benefits learners, employees, and the district as a whole.

Appendix A. Evaluation Methodology and Data Analysis

WestEd conducted the evaluation of the Bright Future initiative. As of 2017, the evaluation is ongoing as the initiative continues to progress and evolve. The evaluation used a mixed-methods descriptive evaluation design to address the study's research questions.

Evaluation study designs are useful in assessing the processes and consequences of innovations in social policy or organizations (Payne & Payne, 2004). Moreover, descriptive evaluation designs provide information about changes in an environment without manipulating the environment for the purposes of the study (U.S. Office of Research Integrity, 2016). In addition to a descriptive evaluation design, the study also used case study design and research methods to investigate how the Bright Future initiative was implemented at individual schools. Case study research methods are useful because they allow researchers to rigorously investigate a phenomenon within the environment in which it is occurring (Yin, 1984).

Data Collection

In the spring of 2016, WestEd researchers conducted site visits at six schools (five elementary schools and one middle school) in the GJUESD. Each site visit included classroom site visits as well as focus groups and interviews with educators, parents, and administrators. Data collection included over 30 focus groups and interviews with parents, educators, and administrators. In addition, researchers reviewed and coded numerous reports, administrator reflections, evaluation reports, and other written artifacts from each school and from the district.

Data Analysis

Audio files from focus groups and interviews were transcribed. All transcripts, notes from site visits, and from artifact review were coded using qualitative data analysis methods. To address the research questions, researchers analyzed the data to generate themes, using a combination of grounded theory (Strauss & Corbin, 1998) and established methods for coding qualitative data (Miles & Huberman, 1994) to identify and categorize participants' responses and information gathered during school site visits. Throughout the process, researchers used peer debriefing and auditing to check codes and concepts. Identified codes and concepts were further sorted to generate categories. These categories were again reduced to produce the themes that emerged from the data. While the district data

analysis was conducted, data from individual schools were analyzed in separate analyses to create school case studies. Analysis for each school case study included educator, parent, and administrator focus group and interview data, as well as data from school site visits, reports, and other written artifacts from the schools and district.

Appendix B. Sample Personalized Learning Plan

The following is a sample Personalized Learning Plan for a grade 4 student.



Learner's Name:
Teacher:
Grade: 4

Personalized Learning Plan
School Year: 2016 - 2017

		<i>My Learner Profile</i>		
		Future Thinker	Achieving	Caring
		My Engagement Goal	<i>Learner will strengthen involvement and enthusiasm for learning.</i>	
LEARNER ENGAGEMENT	My Future College and Career Aspirations	I would like to be a Fashion Designer and attend Stanford University.		
	My Year-Long Action(s)	T1 I will ask for help when I need it. T2 I will continue working towards the same goal.		
	My Service Learning Project(s)	This year, I will learn about how recycling helps our world. Then I will help to improve recycling efforts at school, home, and in my community.		
	Comments	T1 "I asked for help a few times and it helped. I was struggling so I asked the teachers if they could help me."		
	Did I meet my Engagement Goal?			
	Extra Curricular Activities/BFLC Clubs/School Clubs/ASES	I participated in the Arts and Crafts Club.		

Attendance:	Fall	Winter	Spring
Days Absent	8	11	
Tardies	0	12	



Learner's Name:

NWEA MAP Reading		Prior Spring	Fall	Winter	Spring	Annual Growth
NWEA/MAP READING (Measure of Academic Progress)	Overall RIT SCORE	158	212	211		6
	Literature	Low	High	High		
	Informational Text	Low	HiAvg	Avg		
	Vocabulary Acquisition & Use	Low	HiAvg	Avg		
	Lexile		817	799		
My Literacy Goal	<i>Learner will demonstrate continuous growth as evidenced by MAP Annual Growth Progress, District Writing Assessment and other evidence.</i>					
Action	I will read chapter books and fourth grade social studies book to develop my comprehension skills. I will read at least 30 minutes a day from my AR book.					
Comment	"I'm struggling with with main idea. The class activities were hard because I was absent."					
Action						
Comment						
Reading Goal	<i>Did I meet my Reading Goal?</i>					
District Writing Assessment			Fall	Winter	Spring	NOT EVERY WRITING TYPE MAY BE SCORED EVERY TRIMESTER
WRITING Assessments	Opinion/Argument Task					
	Narrative Task					
	Informative/Explanatory Task		2			
Action	I will use transitions that are appropriate for the detail, example, or reason they are introducing.					
Comment	"I need to work on this goal. Informative writing is difficult. I need to use the posters to help with this."					
Action						
Comment						
My Writing Goal	<i>Did I meet my Writing Goal?</i>					
NWEA MAP Mathematics		Prior Spring	Fall	Winter	Spring	Annual Growth
NWEA/MAP MATH (Measures of Academic Progress)	Overall RIT SCORE	199	197	205		12
	Operations & Algebraic Thinking	Avg	LoAvg	LoAvg		
	Number & Operations	LoAvg	Low	HiAvg		
	Measurement & Data	LoAvg	LoAvg	LoAvg		
	Geometry	Avg	LoAvg	LoAvg		
My Math Goal	<i>Learner will demonstrate continuous growth as evidenced by MAP Annual Growth Progress and other evidence.</i>					
Action	Practice your multiplication facts through 12x12. Reread and chunk information in math problem to aid in comprehension.					
Comment	"I'm working on multiplication facts. I have a bad memory and that makes it difficult. I need to use the multiplication chart."					
Action						
Comment						
My Math Goal	<i>Did I meet my Math Goal?</i>					



Learner's Name:

SCIENCE GOAL	<i>Learner will accurately use evidence from Science Standards aligned investigations and/or texts to support a claim.</i>
Action(s)	Use evidence from a variety of sources to make a claim about a specific phenomenon.
Comments	"We learned about waves and how they move back and forth. We wrote in our journals which helps with our projects."

SOCIAL STUDIES GOAL	<i>Learner will cite specific textual evidence to support analysis of primary and secondary sources in Social Studies.</i>
Action(s)	Use a secondary source to cite evidence to support their claim.
Comments	"We learned about Native Americans. We learned about their culture areas and how they lived. I haven't started the project yet."

Additional Comments	
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GRADE 4 PERSONALIZED LEARNING PLAN: GRADEBOOK REPORT
SCHOOL YEAR: 2016 - 2017

Name:

Teacher Name:

Subject	Trimester 1	Trimester 2	Trimester 3
Reading	S		
Writing	S		
Mathematics	S		
Science	E		
Social Studies	S		
Music	E		
Physical Education	E		
Citizenship	S		
English Language Development			
Band			
Choir			

E= Excellent (90%-100%) A= Above Average (80%-89%) S= Satisfactory (70%-79%) N= Needs Improvement (<69%)

How did I do 1st Trimester?

Nightly reading is an important part of Sophia's reading progress.

How did I do 2nd Trimester?

How did I do 3rd Trimester?

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LCAP GOAL 2

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. Summer Learning Supports and Opportunities: *Donna Whitlock, Educational Services Director*
2. Outdoor Education
 - Canoe Mobile Program: *John Durand, Service Learning Coordinator*

Galt Joint Union Elementary School District
2017 Seamless Summer Learning!

1. **LTEL Intensive Summer Learning Academy-** Jamie Hughes & Jennifer Collier
2. **BFLC Summer Academies-** Jamie Hughes & Jennifer Collier
3. **BFLC Pathways Academies-** Jamie Hughes & Jennifer Collier
4. **Migrant Academy-** Donna Whitlock
5. **Jumpstart Summer Academy-** Donna Whitlock
6. **Extended Year Academy-** Donna Whitlock
7. **SCOE Extended Year-** Siobhan Dill & Dr. Andrea Lemus

- **Currently working on Transportation routes and pick-up/drop-off times: start/end times must be flexible** (Kevin Sellstrom, Transportation Supervisor)
- **Summer Lunch will be served 11:30-12:30** (Nick Svoboda, Food Services Supervisor)

LTEL Intensive Summer Learning Academy

Theme: Blended STEAM-Based learning

Purpose: Acceleration for high needs learners (LTELs & at-risk)

15 days; June 19-July 13 (M-Th); week of July 3 (W-F); Mornings: 9:00-12:00

Grades: 4-7 (120 students), Transportation & Lunch provided

Site	Staffing
Greer	1 teacher/BFLC Tech
Valley Oaks	1 teacher/ BFLC Tech
River Oaks	1 teacher/BFLC Tech
Lake Canyon	1 teacher/BFLC Tech
Marengo Ranch	1 teacher/BFLC Tech
McCaffrey	1 teacher/BFLC Tech

ASES/BFLC Summer Academies

Theme: STEAM-Based learning

Purpose: Enrichment Learning

15 Days; June 19-July 13 (M-Th); week of July 3 (W-F) Afternoons: 12:00-3:00 pm

Grades: K-8 (per site: 25 per session x 4 sessions), *Transportation/Lunch provided*

Site	Staffing
River Oaks	1 teacher/BFLC Tech
Lake Canyon	1 teacher/BFLC Tech
Marengo Ranch	1 teacher/BFLC Tech
Greer	1 teacher/BFLC Tech
McCaffrey	1 teacher/BFLC Tech
Valley Oaks	ASES Coordinator/1 BFLC Tech

BFLC Pathways Academies

Theme: Community-Based Learning

Purpose: Enrichment Learning

June 19-Aug. 2; Grades: K-8, *Transportation & Lunch provided*

Site	Theme	Sessions/day	Hours	Staffing
McCaffrey Arena (No Transportation)	GALEP Horsemanship Gr K-8	3 Wednesday's, July 12, 19 & 26	9:00-12:00pm	GALEP Volunteers and Karen Schauer, Superintendent
Cosumnes River Preserve <i>Pick-up: RO & GES</i>	Environmental Education Gr 4-5	M-Th, 2 sessions June 26-29 July 10-13	8:30-11:30am	John Durand, Service Learning Coordinator and Instructional Assistant
Cal Waste <i>Pick-up: RO & GES</i>	Recycling Gr 4-8	M-Th, 1 session	10:00-1:00pm	Volunteer and Jennifer Collier, Extended Learning Coordinator
McCaffrey (No Transportation)	Band Gr 6-8	6 Wednesdays June 14 & 28 July 5, 19 & 26 Aug 2	Lesson Times: 8:00-8:55 am 9:00-9:55 am 10:00-10:55 am Ensemble group: 11:00-12:00pm	Nancy Severin, Music Teacher

Migrant Education Summer Academy (MESA)

Theme: STEAM-Based learning

Purpose: Acceleration for at-risk learners

16 days (M-Th) June 19-July 18; Mornings: 8:00-1:00

Grades: PreK-8 (170 migrant students), Transportation & Breakfast-Lunch provided

Site	Staffing
Greer	8 Teachers, 1 Summer Director, 2 Bilingual Instructional Assistants, 1 Bilingual Office Assistant, 1 Custodian

Jumpstart Kinder Transition & PreK Migrant Summer Academy

Theme: STEAM-Based learning

Purpose: Preschool & Kinder Transition

14 days (M-Th) June 19-July 13; Mornings: 8:00-12:00

Grades: PreK (75 students), Migrant (15 three year olds), Breakfast-Lunch provided

Site	Staffing
Fairsite- 4yr olds	3 Preschool teachers, 6 Bilingual Instructional Assistants, Instructional Assistants and 1 Bilingual Office Assistant
Fairsite- 3 yr olds	1 Teacher, 1 Bilingual Instructional Assistant

Special Education Extended Year Academy

Theme: IEP-based

19 days (M-F) June 19-July 14; Mornings: 8:00-12:00

Grades: PreK-8 (90 students), Transportation & Breakfast-Lunch provided

Site	Staffing for all 3 sites: 1 Coordinator, 1 SLP, 1 Behaviorist, 1 Psych?
Fairsite	1 Preschool Teacher, 4 Instructional Assistants
River Oaks	5 Teachers, 13 Instructional Assistants, 1 Office Assistant
McCaffrey	3 Teachers, 6 Instructional Assistants, 1 Behavior Management Technician

SCOE Extended Year

Theme: IEP-based

20 days (M-F) July 5-Aug 2; Mornings: 8:00-12:00

Grades: PreK-8, Transportation & Lunch provided

Site	Staffing
Fairsite	1 SCOE Preschool Teacher, 2 SCOE Instructional Assistants
MRE	1 SCOE Teacher, 2 SCOE Instructional Assistants
MMS	1 SCOE Teacher, 2 SCOE Instructional Assistants



Wilderness
Inquiry

CANOEMOBILE

Canoemobile engages people in introductory outdoor experiences, enhances learning opportunities, cultivates a stewardship ethic, and creates pathways to pursue career opportunities in the outdoors.



Canoemobile is a collaboration of federal, state, and local partners connecting thousands of people to the natural world through hands-on, outdoor learning.

We Deliver

- A floating classroom to facilitate hands-on, experiential, and applied learning.
- Paddle instruction and safety talks in preparation for canoe trips.
- Activities with environmental, cultural, team-building, and skill development themes.
- Six handmade, 24-foot Voyageur canoes, paddles, and safety equipment.
- Inclusive experiences for people of all ages, backgrounds, and abilities.
- A unique experience for hundreds of participants each day!



Youth learning about their watershed's health and history.



The Canoemobile under the Golden Gate Bridge.

Benefits

- Engage thousands of people from underserved populations in the outdoors.
- Increase academic achievement and career readiness through place-based experiences.
- Connect people to educational and career opportunities across the outdoor sector.
- Offer resources, curriculum support, and professional development opportunities for teachers and outdoor leaders.
- Inspire everyone to enjoy, explore, and protect public lands.
- Engage youth, people with disabilities, and their families in active, outdoor lifestyles.



Developing transferable skills to prepare for careers in the outdoors.



Community members ready to paddle the Detroit River.



The Voyageur canoes are accessible for all participants.

What Participants Say

- "I like learning outside the classroom. It made me think about things in a different way."
- "I learned how to work as a team. I wish I could do this every day."

What Instructors Say

- "We have found these 'learning by using nature' programs extremely effective in helping students... accelerate the recovery of credits needed to be on track for graduation."
- "It allows for a marriage between creativity and experiential learning which is highly engaging for our group."



The Voyageur canoes are accessible for all participants.

Inclusion is a core value of Wilderness Inquiry.

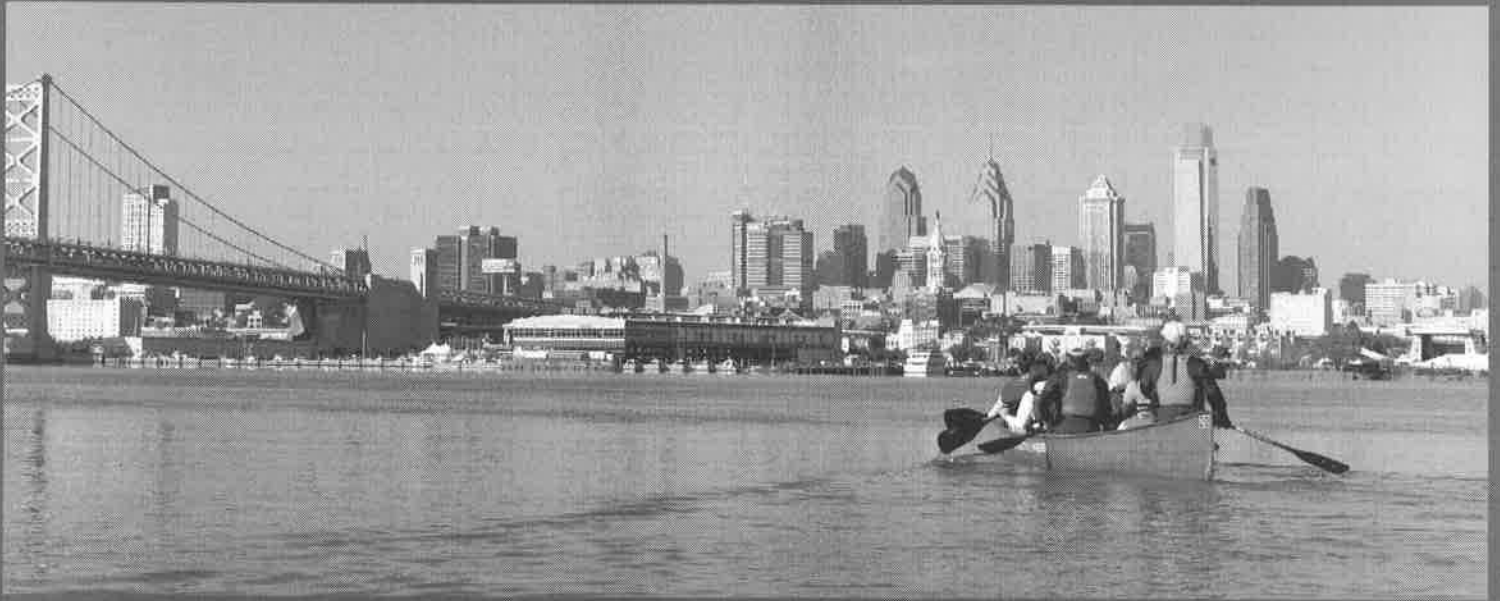
Results

- 92% of teachers believed the outdoor experience supported academic learning.
- 88% of students agreed or strongly agreed they "worked with others as a team."
- 96% of teachers agreed that students acquired new skills while on the trip.

Findings from the University of Minnesota Center for Applied Research and Educational Improvement.



A floatilla on the Delaware River in front of the USS New Jersey.



The Philadelphia skyline offers a breathtaking backdrop for a floating classroom.

Get Involved

- Volunteer at a local Canoemobile event.
- Participate in community events with your family and friends.
- Follow us on Facebook and Twitter (#Canoemobile).
- Donate to the Canoemobile program on our website.
- Bring Canoemobile to your community.
- Spread the word about an amazing program!

ADVENTURE
IS OUR MEDIUM
INCLUSION
IS OUR METHOD
INTEGRATION
IS OUR MISSION



Paddling under the High Bridge on the Harlem River in New York is a moment this group will never forget.



Wilderness
Inquiry

Established in 1978, Wilderness Inquiry is a non-profit organization that connects people of all ages, backgrounds, and abilities to the natural world through shared outdoor experiences. Adventures are facilitated close to home and across the globe. Our programs focus on integration, education, employment, and health and wellness.



LCAP GOAL 3

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

1. **Multi-Tiered System of Supports and Special Education: *Jamie Hughes, Coordinator of Instructional Technology & Innovation Integration***
 - **MTSS Shift, Accomplishments, 2017-18 Efforts**

2. **Local Control Accountability Plan (LCAP) Next Steps: *Karen Schauer, Superintendent***
 - **Important Dates**
 - May 2nd: LCAP Presentation to DAC, DELAC, SSC
 - May 17th: Tentative Board of Education LCAP Study Session
 - May 23rd: Response to LCAP comments presentation to DAC, DELAC, SSC
 - June 14th: Tentative Board of Education LCAP & Budget Public Hearing
 - June 28th: Board of Education LCAP and Budget Adoption

Multi-Tiered System of Supports (MTSS) and Special Education

April 26, 2017



Movement in the System

- Multi-Tiered System of Supports
- Shift from Response to Instruction and Intervention (RtI²) to Multi-Tiered System of Supports
- Accomplishments in Special Education
- Professional Learning
- Adjustments made along the way
- Next Steps
-

Multi-Tiered System of Supports

In California, MTSS is an integrated, comprehensive framework that focuses on CCSS, core instruction, differentiated learning, student-centered learning, individualized student needs, and the alignment of systems necessary for all students' academic, behavioral, and social success. California has a long history of providing numerous systems of support. These include the interventions within the RtI² processes, supports for Special Education, Title I, Title III, support services for English Learners, American-Indian students, and those in gifted and talented programs. MTSS offer the potential to create needed systematic change through intentional design and redesign of services and supports that quickly identify and match the needs of all students.

-California Department of Education



Shift from RtI² to MTSS

- Response to Instruction and Intervention (RtI²) is a process that begins when a student needs support (not meeting benchmarks, receiving citations/referrals, etc.)
- Multi-Tiered System of Supports is a system that provides preventative, evidence based instruction in academics, behavior, and social emotional learning for EVERY learner. Once a learner struggles from receiving the instruction, then intervention begins.



Why Shift?

- As of 5/9/16:
 - 625 Active IEPs TK-8 (17.1%)
 - 251 Speech or Language Impairment (40%)
 - 210 Specific Learning Disability (34%)
- As of 4/17/17:
 - 498 Active IEPs TK-8 (13.8%)
 - 173 Speech or Language Impairment (34.7%)
 - 187 Specific Learning Disability (37.6%)
- Speech & Language Impairment implemented Early Support Model (evidence based model)
- Specific Learning Disability is determined using the Severe Discrepancy Model
- Aligned with Sacramento County SELPA Identification, Location and Evaluation (Child Find Law) Policy and Procedures.



GJUESD MTSS Vision

The Galt Joint Union Elementary School District's Multi-Tiered Support System will provide EVERY learner with universal access to research based supports through ongoing collaboration with teachers, administrators, families, specialists, and community partners, creating a culture of inclusion and a personalized pathway for success.



Academic Supports

- High Quality First Instruction model
- Differentiation for all learners
- Flexible Grouping Instruction
- Personalized Learning Paths
- Universal Design for Learning (UDL)
- Effective Learning Environment



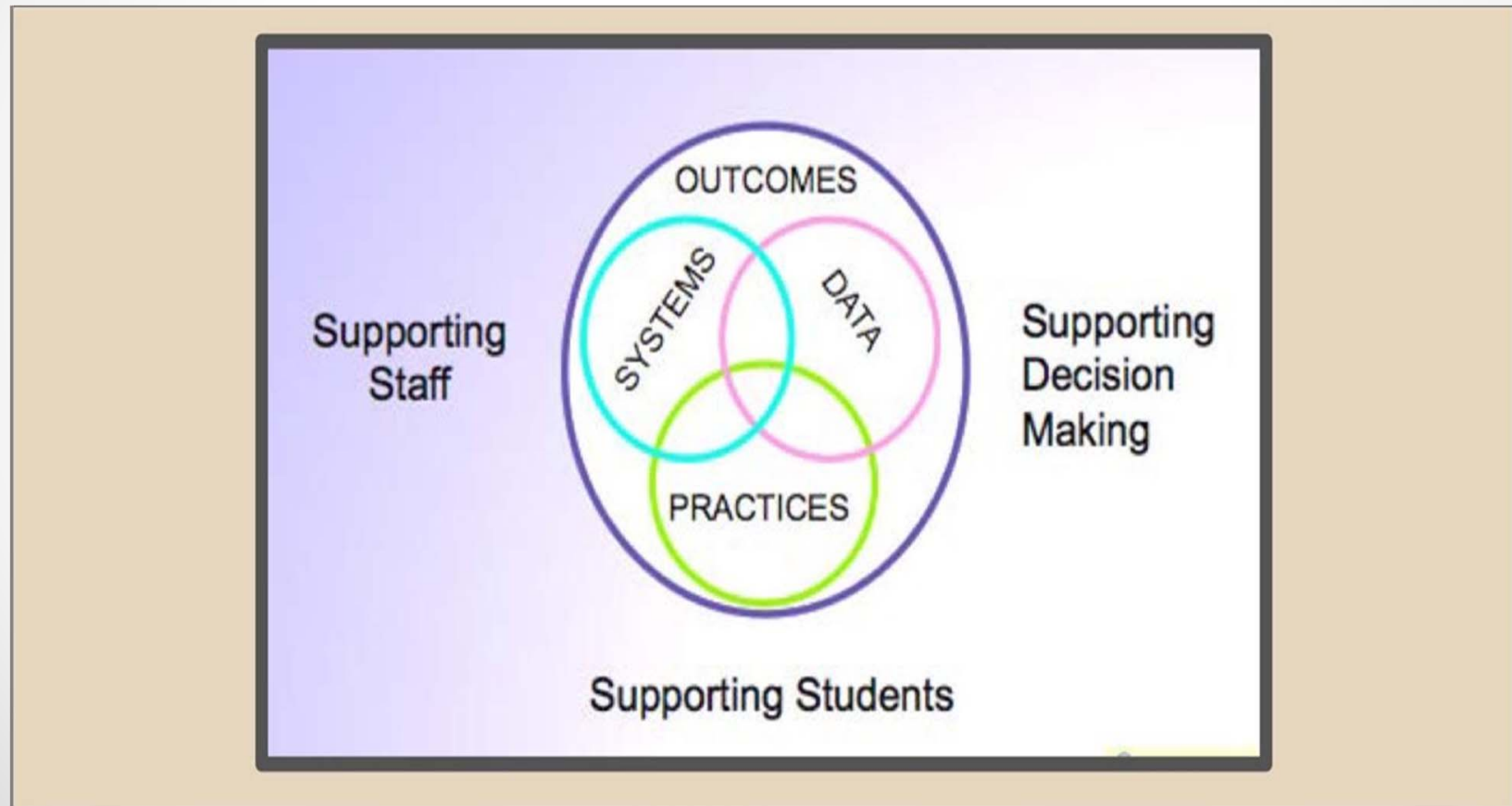
Positive Behavior Supports System

- Multi-tiered
- Proactive
- Evidence-Based
- Data-driven
- Integrated

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Social Emotional Learning



MTSS Process

- Creating ONE system that can utilize support services
- Creating district wide guidelines
 - Defined Core Instruction, Targeted Support, and Intensive Support in areas of Academics, Behavior, and Social Emotional Learning.
 - Interventions
 - Defining "Teams"
 - Providing recommendations
- Creating data integrated system utilizing Illuminate
- Creating Common Language and Practices
- Creating Implementation Plan

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Professional Learning

- Coordinator, two Curriculum Coaches attended Multi-Tiered System of Supports Symposium at Kansas in September 2016.
- SCOE MTSS training (Coordinator)
- SCOE Universal Design for Learning training
 - Coordinator, One Assistant Principal, Two Teachers, one Curriculum Coach
- One Curriculum Coach attended SEIS conference
- Program Specialist attended Special Education Symposium
- Coordinator and Program Specialist attended various legal conferences
- Behavior Analyst attended Positive Behavior Intervention & Supports (PBIS) conferences
- Administrators, Social Workers, Counselors attended Restorative Practices training
- Additional LEA funds for Professional Learning for all Special Educators to personalize adult learning



2016-17

Accomplishments

- Speech and Language Pathologists implemented Early Support Model
- Established a MOU with Speech and Language Pathologists regarding caseloads and workloads
- Restructured Autism Program
 - Provided more staff
 - Staff trained in Applied Behavior Analysis and Crisis Prevention Intervention
 - Added technology: SmartBoard in each classroom, 1:1 iPads and Chromebooks
 - Common Core Curriculum
 - Curriculum Coach for 2016-2017
 - Continued Biweekly Clinics
- Weekly/Monthly/Bimonthly/Trimester Meetings
 - School Psychologists
 - Speech and Language Pathologists
 - Special Education Department
 - Coordinator, Program Specialist, Behavior Analyst, Behavior Consultant
- Coaching for Intern Special Education Teachers from two Curriculum Coaches
- All special education teachers and instructional assistants, some administrators and specialists are Crisis Prevention Intervention (CPI) trained.



2017-18

Goals & Improvements

- Calendar 2017-2018 meetings before school year begins
- Explore platforms for Professional Learning
- Develop and implement a Parent Education and Outreach Program
- Form a Special Education Department Leadership Team
- Continue to ensure all special education staff are CPI trained annually
- Meet once each trimester with District MTSS Leadership Team to review guidelines and make adjustments
- Goal is to be staffed for School Psychologists (1:750 ratio) while California Association of School Psychologists recommends(1:1000 ratio), continue to staff Speech and Language Pathologists according to MOU.
- Provide support for Special Education with the implementation of the new ELA/ELD curriculum
- Explore middle school math program for Special Education to align with the high school district model.

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DISTRICT ADVISORY COMMITTEE (DAC) MEETING

April 4, 2017

Local Control Accountability Plan (LCAP): Progress & Input



Galt Joint Union Elementary School District

SESSION GOALS

1. Update and clarify GJUESD Bright Future Learning efforts for LCAP refinement
2. Seek continuous improvement ideas and input for 2017-18 LCAP efforts



GROWING AND LEARNING TOGETHER

Our Goal:

Inspire learners-
one plan at a time!

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

Plan Implementation

- » Strengths and growth mindset
- » Learner ownership
- » Career pathways

**GOAL
1**

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

Blended Learning Environments & Tools

- » Classroom
- » Outdoors & Community
- » Mobile devices
- » Foundational and on-line resources
- » Bright Future Learning Centers

**GOAL
2**

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

A Systems Approach!

- » Learning cycle
- » Responsive data use
- » Meaningful evaluation

**GOAL
3**

School facilities are safe, healthy, hazard free, clean and equipped for 21st Century Learning.

Support 21st Century Learning Environments

- » Safe
- » Healthy
- » Flexible

**GOAL
4**

LCAP IMPROVEMENT AREAS

1. **Academic Rigor** for Every Learner Strategies
2. Implementation of Key **ELD Strategies**
3. **Mathematics** Pacing
4. Selection of Core **English Language Arts/English Language Development**
5. **Professional Learning Growth Cycle** to align with rigor and more personalized instructional strategies
6. **Multi-Tiered System of Support**

DATA TRENDS: CALIFORNIA SCHOOL DASHBOARD

- ❑ Tool to monitor progress
- ❑ Addresses 4 of the 6 indicators
- ❑ Icons, “wheels” are assigned to each indicator
- ❑ Blue is the highest, red is the lowest
- ❑ Colors based on 5x5 grids
- ❑ We looked closely at all red and orange wheels

Both status and change factor into the color levels.

		CHANGE				
		Declined Significantly	Declined	Maintained	Increased	Increased Significantly
STATUS	Very High					
	High				Green	
	Medium					
	Low					
	Very Low					

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2016-17 GRADUATION RATE REFERENCE CHART

Graduation Rate (All LEAs and High Schools)		CHANGE (PRIOR 3 YEAR AVG)				
		Declined Significantly by more than 5%	Declined by 1% to 5%	Maintained Declined or improved by less than 1%	Increased by 1% to less than 5%	Increased Significantly by 5% or more
STATUS (2014-15)	Very High 95% or greater		Blue	Blue	Blue	Blue
	High 90% to less than 95%	Orange	Yellow	Green	Green	Blue
	Medium 85% to less than 90%	Orange	Orange	Yellow	Green	Green
	Low 80% to less than 85%	Red	Orange	Orange	Yellow	Yellow
	Very Low 75% to less than 80%	Red	Red	Red	Red	Red
	Less than 75%	Red	Red	Red	Red	Red

NOTE:
Each indicator has its own reference chart.





























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OUR DISTRICT AT A GLANCE

Overall Performance Level for State Indicators							
	Chronic Absenteeism	Suspension Rate	English Learner Progress	Graduation Rate	College/Career Indicator	Academic Indicator - English-Language Arts/Literacy	Academic Indicator - Mathematics
GJUESD	N/A			N/A	N/A		

- Suspension: 2014-15 was High and Increased from 2013-14 = **ORANGE**
- EL Progress: 2014-15 was Low Medium and Declined from 2013-14 = **ORANGE**
- ELA: Spring of 2016 was Medium and Increased from Spring 2015 = **YELLOW**
- Math: Spring of 2016 was Medium and Increased from Spring 2015 = **YELLOW**

OUR SCHOOLS AT A GLANCE

Overall Performance Level for State Indicators							
	Chronic Absenteeism	Suspension Rate	English Learner Progress	Graduation Rate	College/Career Indicator	Academic Indicator - English-Language Arts/Literacy	Academic Indicator - Mathematics
GJUESD	N/A			N/A	N/A		
Greer	N/A			N/A	N/A		
Lake Canyon	N/A			N/A	N/A		
Marengo Ranch	N/A			N/A	N/A		
River Oaks	N/A			N/A	N/A		
Valley Oaks	N/A			N/A	N/A		
McCaffrey	N/A			N/A	N/A		

Performance Levels:  Blue (Highest)  Green  Yellow  Orange  Red (Lowest)

SECOND TRIMESTER: RECENT LOCAL INFORMATION

- SIPPS Instruction: moving children from Beginning to Extension to Challenge
- Reading: monitor fluency & comprehension
- ELD: consistent 30 minute block of designated ELD
- Math Pacing: moving along as expected
- Math Performance 3rd-8th: 45% - 97%

SECOND TRIMESTER: RECENT MAP INDICATORS

MATH PROJECTIONS

2017 District

(Levels 3 & 4)

Fall: 29%

Winter: 27%

SBAC 2016: 28%

SBAC 2015: 25%

ELA PROJECTIONS

2017 District

(Levels 3 & 4)

Fall: 41%

Winter: 43%

SBAC 2016: 43%

SBAC 2015: 37%

SPRING 2017 LISTENING CIRCLES FOR IMPROVEMENT AND INNOVATION

McCaffrey	Lake Canyon	River Oaks	Marengo Ranch	Greer	Valley Oaks <i>Added 4-6-17</i>
<ul style="list-style-type: none"> • Relationships • Voice/Choice • College & Career • Motivation/ Inspiration • Extra Curricular • Hands-on 	<ul style="list-style-type: none"> • House System • Electives • Scheduling • Technology • Fun & Humor 	<ul style="list-style-type: none"> • Relationships • Youth Voice • Challenge • Project-based Learning • Science 	<ul style="list-style-type: none"> • Personalized Learning Choice • Club Options and Exploratory • Up-to-Date Books and Resources • Science and Technology 	<ul style="list-style-type: none"> • Welcoming Environment • Elective Choice and Variety • Careers and Active Learning • Active Engagement 	<ul style="list-style-type: none"> • Motivation & Challenge • Incentives & Recognition • Educational Games • Arts • Equipment • Homework • School Beautification

SUSPENSION/EXPULSION DATA

Lake Canyon	11-12	12-13	13-14	14-15	*15-16
Suspension	16	6	4	11	7
Expulsion	1	0	0	0	0
Marengo Ranch	11-12	12-13	13-14	14-15	*15-16
Suspension	22	9	11	3	9
Expulsion	0	2	1	0	0
River Oaks	11-12	12-13	13-14	14-15	*15-16
Suspension	12	4	11	6	10
Expulsion	1	0	0	0	0
Valley Oaks	11-12	12-13	13-14	14-15	*15-16
Suspension	29	17	23	36	11
Expulsion	0	0	4	1	1
Greer	11-12	12-13	13-14	14-15	*15-16
Suspension	6	7	12	8	5
Expulsion	0	0	0	0	0
McCaffrey	11-12	12-13	13-14	14-15	*15-16
Suspension	92	74	53	63	42
Expulsion	8	6	8	5	1

* 15-16 Data from CalPads

GALLUP STUDENT POLL: DISTRICT RESULTS

FALL 2015

Hope	Engagement	Entrepreneurial Aspiration	Career/ Financial Literacy
4.32	4.10	2.52	3.28

FALL 2016

Hope	Engagement	Entrepreneurial Aspiration	Career/ Financial Literacy
4.37	4.11	2.45	3.28

All items are on a 5-point scale where 5 means strongly agree, and 1 means strongly disagree.

STRENGTHS AND NEEDS

- SBAC Overall Improvement for ELA and Mathematics
- SBAC ELA Higher than Mathematics
- Suspension: Needs Area
- English Learners Subgroups: Needs Area
- Special Education Subgroup: Needs Area

Support Services & Programs For High Needs Learners

GOAL AREA 1: Personalized Learning Pathways and Strengths-based Growth Plans for every learner... to close achievement gap

PROGRAM OR SERVICE	DESCRIPTION	DISTRICT OR SCHOOL	LEARNERS	FUNDING SOURCE
Class Size Reduction	Further reduces TK-3 class size to 20:1 to more effectively personalize learning and support growth for high needs learners	District-wide	1,407 learners	Supplemental & Concentration (S&C)
Personalized Learning Plans (PLPs)	PLP Admin.& clerical provide additional monitoring and support of personalized learning for high needs learners; TK-8	District-wide	3,800 learners	S&C
ECE Home Visitor	Academic, social emotional Learning (SEL) for at-risk families with children 0-3	Fairsite	22 families	S&C
Preschool	Delivers academic and social emotional learning for high needs children, ages 3-5	Fairsite	210 learners	Migrant Ed, State Preschool, First 5, Title 1, SpEd, QRIS
Counselors/ Social Workers: Social Work Interns	SEL, behavior and academic support; PreK-8	VO- 1 , MMS- 1 RO/GES- 1 MRE/LC- 1	3,800 learners	Title I, S&C, Mental Health

Support Services & Programs For High Needs Learners

GOAL AREA 1: Personalized Learning Pathways and Strengths-based Growth Plans for every learner... to close achievement gap

PROGRAM OR SERVICE	DESCRIPTION	DISTRICT OR SCHOOL	LEARNERS	FUNDING SOURCE
Instructional Assistants	Reading and Math academic support for high needs learners grades TK-6	VO- 7, GES- 4 RO- 4, MRE- 3 LC- 4, MMS- 0	Approx 1,407 learners	Title I, S&C
Bilingual Instructional Assistants	Additional academic support for beginning ELs; TK-3 & newcomers	VO- 7, GES- 4 RO- 4, MRE- 2 LC- 3, MMS- 2	Approx 800 learners	Title I, Title III, S&C
Newcomer Teacher	Additional academic support for ELs at the beginning level of English proficiency; 7-8th	MMS- .20 FTE	10 learners	S&C
Extended Day	Afterschool small group intervention by teacher or homework club by an IA; TK-8;	District-wide	415 learners	Title I, Migrant Education
BFLC Clubs and Summer Academies	Classified & certificated staff provide Expanded Learning opportunities for every learner- clubs and academies for TK-8th afterschool/ summer	District-wide	1680 learners	RTTT, S&C, Base

Support Services & Programs For High Needs Learners

GOAL AREA 1: Personalized Learning Pathways and Strengths-based Growth Plans for every learner... to close achievement gap

PROGRAM OR SERVICE	DESCRIPTION	DISTRICT OR SCHOOL	LEARNERS	FUNDING SOURCE
ASES Afterschool Program	SEL and academic support to learners afterschool; priority enrollment for high needs learners; 1st-8th	GES, VO, MMS	375 learners	ASES, Title I
SCOE CARE Program	Provides self-contained classroom setting to increase personalization for learners at-risk of dropping out of school; 8th	MMS	18 learners	ADA
Migrant Summer Academy	4 week summer learning program for migrant learners PreK-8	District-wide	200 learners	Migrant Education
Long-Term English Learner Summer Academy	4 week summer learning program for LTELs and high-needs learners; 4-8th	District-Wide	100 learners	RTTT, S&C
Program Specialist	Support site admin and all special education staff with implementation and compliance of SpEd. PreK-8	District-wide- 1	530 learners	SCOE, Mental Health

Support Services & Programs For High Needs Learners

GOAL AREA 1: Personalized Learning Pathways and Strengths-based Growth Plans for every learner... to close achievement gap

PROGRAM OR SERVICE	DESCRIPTION	DISTRICT OR SCHOOL	LEARNERS	FUNDING SOURCE
SpEd Extended Year	Summer learning for learners in grades PreK-8 with services on IEPs	District-wide	114 learners	SpEd, Base
Behaviorists	Staff support student behaviors and teacher training; PreK-8	District-wide- 5	Ratio 1:730 learners	SpEd, Base, Mental Health
Psychologists	Assessing for learning disabilities, counselling, Rtl support; PreK-8	District-wide PreK-6 = 4 7-8 = 1	Ratio 1:850 learners	SpEd, Base, Mental Health
Speech & Language Pathologist	Assessing learners to identify speech/lang disability, small group therapy, Rtl team support; PreK-8	PreK- 2, VO- 1.5 GES- 1, RO- 2 MRE- 1.5, LC-1.5, MMS- 1	434 learners	SpEd, Base,

Support Services & Programs For High Needs Learners

Goal Area 2: Implementation of Common Core State Standards ...in a variety of blended learning environments while closing the achievement

PROGRAM OR SERVICE	DESCRIPTION	DISTRICT OR SCHOOL	LEARNERS	FUNDING SOURCE
ELD Coach, Curriculum Coaches, & EL Lead Teachers	Build site leadership capacity and support teachers in CCSS and ELD implementation; PreK-8	District Coaches- 7 EL Leads: VO- 1 GES- 2, RO- 1 MRE- 0, LC- 2, MMS-2	3,800 learners	Title I, Title II, NGSS, Base, CVF
Online learning courseware	Provides blended learning opportunities to supplement CCSS (math, ELA); TK-8	District-wide	3,800 learners	S&C, Title I
Chromebook w/wifi check out	To support blended learning at home for learners without computer and/or wifi access; TK-8	District-wide	412 learners	S&C, RTTT, Base
Preschool Site Supervisor	Coordinates preschool services & collaborates with School Readiness; ages 0-5	Fairsite	208 learners	State Preschool

Support Services & Programs For High Needs Learners

Goal Area 2: Implementation of Common Core State Standards ...in a variety of blended learning environments while closing the achievement

PROGRAM OR SERVICE	DESCRIPTION	DISTRICT OR SCHOOL	LEARNERS	FUNDING SOURCE
School Readiness (SR) Supervisor	Coordinates SR activities, parent Ed. and playgroup designed for high needs families; ages 0-5	Fairsite	300 families	First 5
Bilingual Office Assistants	Increase parent access to school information and services for non-English speaking families; PreK-8	District-wide	1,200+ families	S&C, Title I
Parent Engagement and Involvement	Empower parents to support their children through SSTs, family nights, parenting classes/ workshops; PreK-8	District-Wide	Approx. 3,000 families	Title I, Title III, Migrant Ed., MOUs, First 5
Additional MMS Transportation	Provides transportation to/from MMS for learners living west of Hwy 99; 7-8th	McCaffrey	120 learners	S&C

Support Services & Programs For High Needs Learners

Goal Area 2: Implementation of Common Core State Standards ...in a variety of blended learning environments while closing the achievement

PROGRAM OR SERVICE	DESCRIPTION	DISTRICT OR SCHOOL	LEARNERS	FUNDING SOURCE
Expanded Learning Transportation	Afterschool & summer routes to insure access to expanded learning; TK-8	District-wide	3,800 learners	S&C, Migrant Education
Targeted Planning, Teamwork & Services	18 hours principally directed to higher needs learners PreK-8	District-wide	3,800 learners	S&C
E-3 Innovation Projects	Equity, excellence, engagement & innovation site-based grants TK-8	District-wide	3,550 learners	RTTT
School Resource Officer(s)	Supports school safety	District-wide	3800 learners	General Funds, Measure R, Grant

PRELIMINARY LCAP REFINEMENT RECOMMENDATIONS AND FEEDBACK

1. Based on data and progress:
 - A. Continue with the six 2016-17 Improvement Areas with deeper implementation
 1. **Academic Rigor** for Every Learner Strategies
 2. Implementation of Key **ELD Strategies**
 3. **Mathematics** Pacing
 4. Selection of Core **English Language Arts/English Language Development**
 5. **Professional Learning Growth Cycle** to align with rigor and more personalized instructional strategies
 6. **Multi-Tiered System of Support (7)**
 - B. Include one additional area: restorative practices
2. Chart Feedback and Ideas
 - Six refinement areas and restorative practices
 - Additional Considerations

NEXT MEETING: MAY 2ND

LCAP Sessions

May 2nd: LCAP presentation to DAC,SSC, DELAC (location/time TBD)

May 17th: Tentative Board Study Session (location/time TBD)

May 23rd: LCAP Response to Comments (location/time TBD)

May 25th: Post LCAP

June 14th: Tentative LCAP Public Hearing

June 28th: LCAP Adoption



LCAP GOAL 4

LCAP GOAL 4

Maintenance, grounds, custodial, food services, and health staff maintain all school facilities that are safe, healthy, hazard free, clean and equipped for 21st Century Learning.

1. Measure K Update: *Tom Barentson, Business Services Director*
 - A. Bond Sale
Government Financial Strategies Inc.
Date: May 18, 2017
Time: 8:00-11:00 am
Location: 1228 N Street, Suite 13, Sacramento, CA 95814
 - B. Citizen Oversight Committee Update



Measure K
Citizen's Oversight Committee
April 24, 2017
Valley Oaks Elementary School

AGENDA

- 5:30 p.m. Reintroductions of Committee and Staff
Pizza and drinks provided. (Multi-Purpose Room)
- 5:45 p.m. First Projects and Why?
1. Safety & Security
 - a. Security Cameras
 - b. Fencing
 - c. Key system
 - d. Phone Systems
 2. Modernize Schools
 - a. Permanent Facilities
 - b. Portable Classrooms
 - c. Kitchens
 - d. Roofing
 3. Existing Building Systems
 - a. HVAC
 - b. Controls
 - c. Outside Learning Environment Upgrades
 4. NexGen Learning Environments
 - a. Innovation Centers
 - b. Furniture
 - c. Technology
- 6:00 p.m. Tour of Valley Oaks
- 6:45 p.m. Architects and Preferred Providers
- 7:15 p.m. Set Next Meeting Date, Agenda and Site
- Adjournment



OTHER REPORTS

OTHER

Maintenance, grounds, custodial, food services, and health staff maintain all school facilities that are safe, healthy, hazard free, clean and equipped for 21st Century Learning.

1. Employee Negotiations Update and Next Steps: *Karen Schauer, Superintendent*
 - GEFA Tentative Agreement and MOU Ratified
 - CSEA Negotiation Session May 8, 2017

2. Williams Quarterly Report: *Karen Schauer, Superintendent*

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.** (CAHSEE complaints no longer need to be reported on this form.)

SUBMITTER INFORMATION

Karen Schauer	Superintendent	209-744-4545
Name Person submitting form	Job Title	Phone Number Include area code
superintendent@galt.k12.ca.us		
E-mail Address		

DISTRICT INFORMATION

Galt Joint Union S.D.	2017	Quarter 3 (January - March)
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.	0
Number of Textbook Complaints Resolved Enter 0 if none.	0
Number of Textbook Complaints Unresolved Enter 0 if none.	0

Emergency School Facilities Issues

Total Number of Emergency Facilities Complaints Enter 0 if none.	0
Number of Emergency Facilities Complaints Resolved Enter 0 if none.	0
Number of Emergency Facilities Complaints Unresolved Enter 0 if none.	0

Vacancy or Misassignment of Teachers

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

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 Cyndi Kroeck with your report.

N/A

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.

RETURN INSTRUCTIONS

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

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.



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: 4/26/17	Agenda Item: 131.844 Consent Calendar
Presenter: Karen Schauer	Action Item: XX Information Item:
<ul style="list-style-type: none"> a. Approval of the Agenda b. Minutes: March 22, 2017 c. Payment of Warrants – <u>Certificated/Classified Payrolls Dated:</u> 3/31/17, 4/7/17, 4/10/17 <u>Vendor Warrant Numbers:</u> 17336525–17336639, 17337779–17337834, 17338677–17338733, 17339940–17340004, 17340963–17341048 d. Personnel <ul style="list-style-type: none"> 1. Resignations/Retirement 2. Leave of Absence Requests 3. New Hires e. Donations f. Nonpublic School/Agency/Related Services Provider: Point Quest Education-Lodi g. Out of State Conference Attendance: Race To The Top 2017 Teacher Quality Programs Education Summit h. Out of State Conference Attendance: Race To The Top 2017 Power of Partnerships Convening 	

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

Regular Board Meeting

Board of Education
Galt Joint Union Elementary School
District

Wednesday, March 22, 2017

Vernon E. Greer Elementary School
248 W A Street, Galt, CA 95632

Board Members Present

Kevin Papineau- absent
John Gordon
Grace Malson
Matthew Felix
Wesley Cagle

Administrators Present

Karen Schauer	Emily Peckham
Thomas Barentson	Lois Yount
Claudia Del Toro-Anguiano	Laura Marquez
Donna Mayo-Whitlock	Jamie Hughes
Jennifer Porter	Ron Rammer
	Judith Hayes

MINUTES

- A.** Present for closed session: Karen Schauer, Tom Barentson, Claudia Del Toro-Anguiano, Donna Mayo-Whitlock, John Gordon, Grace Malson, Matthew Felix, Wesley Cagle

Closed Session was called to order at 5:48 p.m. by John Gordon to discuss the following items:

1. CONFERENCE WITH LABOR NEGOTIATOR, Government Code §54957.6
Agency Negotiator: Karen Schauer, Tom Barentson, Claudia Del-Toro Anguiano, Donna Mayo-Whitlock
 - Employee Agency: (GEFA) Galt Elementary Faculty Association
 - Employee Agency: (CSEA) California School Employee Association
 - Non-Represented Employees
2. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE, Government Code §54957
3. PUBLIC EMPLOYEE PERFORMANCE EVALUATION, Government Code §54957
 - Superintendent

- B. Closed Session Adjourned** at 7:02 p.m. The open meeting was called to order at 7:07 p.m. by John Gordon followed by the flag salute. He announced no action taken in closed session.

C. Public Comment

1. Teri Garcia, Luisa Tiapon, Alma Reyes, Ann Seagraves and Lisa Guttridge addressed the Board regarding the Instructional Assistant job description and salary.
2. Kim Lizama, Kathy Loesch (on behalf of Teresa Michael), Heather Trovinger and Christie Burnau addressed the Board regarding the Illuminate Education tool and Personalized Learning Plans (PLPs).
3. Kathy Loesch (on behalf of Gayleen Gomez) addressed the Board regarding the 2017-18 expected sixth grade class size at Valley Oaks Elementary school.
4. Tammy Partridge addressed the Board regarding Personalized Learning Plans (PLPs) for special education learners.

John Gordon thanked staff for their comments during public comment.

Karen Schauer thanked staff for their public comments. She stated that the District is working to improve the Illuminate Education tool and a status report will be brought back to the next board meeting.

John Gordon stated that with the Race To The Top-District grant coming to a close it is time to reflect on what is working and what is not. He indicated his concern that excessive staff time is being wasted due to software impediments.

D. Recognition

1. Karen Schauer recognized Lake Canyon Elementary School for the California Department of Education Green Ribbon Schools Award. The Green Ribbon Award honors schools that conserve resources while promoting health and environmental literacy.

Judith Hayes, Principal, shared how Lake Canyon Elementary cares for the environment through 3 Pillars; Pillar I: reduce environmental impact and costs; Pillar II: improve the health and wellness of the school, students and staff; and Pillar III: provide effective environmental education.

E. Reports

LCAP GOAL 4 was moved to this point in the meeting.

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. Rich Malone, Governmental Financial Services, reported on Facilities General Obligation Bond and Next Steps.

Mr. Malone reviewed Measure K, the updated bond financial plan and bond sale details. Next steps include: 1.) consideration of resolution authorizing issuance of bonds and approving the forms of the associated legal documents and POS, 2.) sale of bonds, 3.) deposit of proceeds with County and Paying Agent, 4.) Presentation of results to the Board of bond sale.

John Gordon emphasized the importance of informing the community and the Board of all projects, contracts and change orders.

LCAP GOAL 3

Processes And Measures For Continuous Improvement And Accountability Are Applied Through The District Including Personalized Evaluation Processes

1. Claudia Del Toro-Anguiano reported on the California School Dashboard – A Continuous Improvement Tool. She stated that the GJUESD goal is to examine multiple measures of data including local indicators to measure performance, equity, and improvement with more recent data projected by the State next fall.

Karen Schauer stated that some information in the Dashboard is from the 2013-14 school year. It gives us a different way of looking at data by measuring the effectiveness of different policies and practices. It does not include local indicators at this time. Local indicator information will be added over time as the State's Dashboard evolves.

School principals shared their improvement efforts related to:
Developmental Reading Assessment (DRA): Jennifer Porter
Systematic Instruction in Phonological Awareness, Phonics, and Sight Words (SIPPS): Lois Yount
Math Pacing: Emily Peckham
Math Performance: Ron Rammer

Suspensions: Laura Marquez
 Measures of Academic Progress (MAP): Judith Hayes

2. Karen Schauer reported on the SXSWedu Conference: Pre-K-University Teamwork for College, Career and Life Success. The March 6-9 conference, school visitation and meeting included a school district team attending forward thinking conference sessions to strengthen personalized learning efforts.

Dr. Jim Dragna, California State University Sacramento (CSUS), attended the conference and school visitation as part of the GJUESD team. Dr. Schauer indicated that GJUESD and CSUS are striving to get students to and *through* college. On behalf of CSUS President Nelson, Dr. Dragna told the Galt team that the work GJUESD is doing is extraordinary and CSUS wants to partner with GJUESD to learn from us. Dr. Schauer will work to schedule school visits with Dr. Dragna.

Dr. Schauer shared that Real World Scholars (RWS), a privately funded foundation, provides funding and support to students to experiment with new ideas to run businesses. RWS provides teachers with everything they need to create experiences in their classroom in a way that cultivates creativity, collaboration, community and 21st century skills.

3. Jamie Hughes reported on Multi Tiered Systems of Success (MTSS) Strategic Planning and Student Support Services. She indicated that the District is developing a model to address learner needs and shared the core beliefs of MTSS: 1.) every child learns and achieves with the increasing level of rigorous instruction, 2.) learning includes academic and social competencies, 3.) every member of the learning community continues to grow, learn and reflect together, 4.) every leader at all levels is responsible for every child, 5.) change is intentional, coherent, and dynamic.

Donna Mayo-Whitlock reported on specific program or support services. She will come back to the Board with the summer services plan.

F. Recommended Actions

1. Routine Matters/New Business

131.839 A motion was made by Grace Malson to approve the Consent Calendar, seconded by Wesley Cagle and unanimously carried.

- a. Approval of the Agenda
- b. Minutes: March 6, 2017 Special Meeting
 Minutes: March 22, 2017 Regular Board Meeting
- c. Payment of Warrants –
Vendor Warrant Numbers: 17331876-17331939, 17332926-17332987, 17333971-17334072, 17335233-17335318
Certificated/Classified Payrolls Dated: 2/28/17, 3/10/17, 3/13/17
- d. Personnel

Resignations/Retirements

Name	Position	Effective Date	Site
Connelly, Catherine	Teacher	6/8/2017	River Oaks

Leave of Absence Requests

Name	Position	Effective Date	Site
Quintana, Darlene	Instructional Asst. Special Education	3/10/17-3/31/17	Lake Canyon

New Hires

Name	Position	Site
Baumback, Crystal	Yard Supervisor	River Oaks
Wilhelm, Christina	Instructional Assistant ASES	Valley Oaks
Ramirez, Soledad	Custodian	McCaffrey Middle
Suarez, Rosy	Instructional Assistant Special Education	Marengo Ranch
Zavala Castillo, Esmeralda	Instructional Assistant Bilingual	McCaffrey Middle
Velasquez, Guadalupe	Yard Supervisor	Valley Oaks
Leal, Vanessa	Yard Supervisor	Valley Oaks
Zimmerman, Shelly	Custodian (Transfer)	Lake Canyon
Dymond, Brian	Custodian (Transfer)	Valley Oaks
Lemos, Leonard	Custodian (Transfer)	Fairsite
Cabrera, Mayra	Yard Supervisor	Marengo Ranch
Miller, Joni	Yard Supervisor	Lake Canyon
Diaz, Melissa	Instructional Assistant Bilingual	Lake Canyon
Brainard, Mikayla	Substitute Teacher	NA
Reyes, Melissa	Substitute Teacher	NA
Medina, Johnni	Substitute Teacher	NA

Reclassification

Name	Position	Site
Baglietto, Cheryl	Health Clerk I to Health Clerk II	Greer
Keiser, Jean	Health Clerk I to Health Clerk II	Fairsite
Greenwood, Wendi	Health Clerk I to Health Clerk II	River Oaks

e. Donations

Lake Canyon

- Raley's donated \$190.50 towards site use

Marengo Ranch

- General Mills donated \$276.60 through Box Tops for Education Program towards site use
- Harjinder Singh donated \$100.00 towards site use

River Oaks

- Diane Doddridge and Donald Thomas made a monetary donation to the Special Education Program

Valley Oaks

- Gail Bruce donated 2 stainless steel coffee pots valued at \$100.00

McCaffrey Middle

- Raley's donated \$113.71 towards site use

131.840	Consent Calendar (continued) – Items Removed for Later Consideration:	CC Items Removed
131.841	A motion was made by Matthew Felix to approve Citizen Oversight Committee Member, Jim St. Claire, for Measure K, Facilities General Obligation Bond, seconded by Grace Malson and unanimously carried.	Citizen Oversight
131.842	A motion was made by Wesley Cagle to approve Board Policy (BP) 3461 Debt Management Policy, seconded by Matthew Felix and unanimously carried.	BP 3461
131.843	A 1 st Reading of Board Policy (BP) 4354 Health and Welfare Benefits was held.	BP 4354

John Gordon requested to add Instructional Assistant matters to pending agenda items. In addition, Mr. Gordon would like to see community engagement efforts made towards addressing concerns made by teachers related to Personalized Learning Plans (PLPs).

G. Pending Agenda Items

1. School Furniture Analysis and Pilot Programs
2. Governance Team Continuous Improvement
3. Innovation Mini Grants

H. Adjournment

The meeting adjourned at 9:51 p.m.

Grace Malson, Clerk

Date



CONSENT CALENDAR

Human Resources

Recommend approval of the following:

Resignations/Retirements

Name:	Position:	Effective Date	Site
Ramirez, Narvin	Yard Supervisor	Did not start	Marengo Ranch
Cabrera, Mayra	Yard Supervisor	Did not start	Marengo Ranch
Rojas, Jose	Custodian	3/14/2017	Valley Oaks
Sanchez, Jesus	Instructional Assistant Special Education	3/31/2017	River Oaks
Hernandez, Cheri	Instructional Assistant Special Education	4/7/2017	River Oaks
Bernal, Candice	Cashier	6/8/2017	Valley Oaks
Morgan, Kristi	Teacher	6/8/2017	McCaffrey
Gonzales, Michael	Instructional Assistant Bilingual	4/18/2017	Lake Canyon
Blighton, Jennifer	Yard Supervisor	4/28/2017	McCaffrey
Alvarez, Micaela	Yard Supervisor	4/5/2017	Greer
Jylkka, James	Substitute Teacher	4/25/2017	NA
Harlow-LaGrua, Cassi	Teacher	6/8/2017	Lake Canyon

Leave of Absence Requests

Name:	Position:	Effective Date	Site
Collier, Josh	Instructional Assistant ASES	5/20-6/8/2017	Greer
Rios, Oleta	Bus Driver	4/5/2017-10/5/2017	Transportation
Little, Josh	Mechanic	4/7/2017-6/1/2017	Transportation

New Hires

Name:	Position:	Site
Agnew, Veronica	Classified Substitute	N/A
Dunnett, Giovanni	Classified Substitute	N/A
Gonzales, Michael	Instructional Assistant Bilingual	Lake Canyon
Sayre, Nathan	Custodian (Part Time)	Valley Oaks
Maciel, Aurora	Yard Supervisor	Marengo Ranch
Wyrzykowski, Jamie	Instructional Assistant Special Education	River Oaks
Wilhelm, Christina	Custodian (Part Time)	McCaffrey



CONSENT CALENDAR

Donations

Greer

- Greer Partners in Education made a monetary donation towards site use

Lake Canyon

- Kelton Crawford donated \$525.00 through the PG&E YourCause program towards site use
- Jon Adams made a monetary donation through the PG&E YourCause program towards site use
- Lake Canyon PTA donated \$175.00 towards site use

Marengo Ranch

- Jena Swafford donated \$500.00 towards site use
- Sherry Hintz made a monetary donation towards site use

River Oaks

- Lifetouch donated \$402.00 for site use
- Schoola donations resulted in \$20.05 towards site use

Valley Oaks

- Lifetouch donated \$120.00 towards site use

McCaffrey

- Lifetouch donated \$368.00 towards site use



CONSENT CALENDAR

Nonpublic School/Agency/Related Services Provider

Additional Master Contract for Non Public School providing service to student whose needs cannot be met in District's programs.

1. Point Quest Education - Lodi



Nonpublic, Non-Sectarian
School/Agency Services

MASTER CONTRACT

#9

Point Quest Education - Lodi

*NONPUBLIC, NONSECTARIAN
SCHOOL/AGENCY SERVICES*

MASTER CONTRACT

2016–2017

MASTER CONTRACT

GENERAL AGREEMENT FOR NONSECTARIAN,
NONPUBLIC SCHOOL AND AGENCY SERVICES

District GALT JOINT UNION ELEMENTARY

Contract Year 2016-2017

 x Nonpublic School
 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.

**DISTRICT MASTER CONTRACT
GENERAL AGREEMENT FOR NONSECTARIAN,
NONPUBLIC SCHOOL/AGENCY SERVICES
2016-2017**

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**DISTRICT MASTER CONTRACT
GENERAL AGREEMENT FOR NONSECTARIAN,
NONPUBLIC SCHOOL/AGENCY SERVICES
2016-2017**

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2016-2017

CONTRACT NUMBER: -9-

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 July 1, 2016, between the **Galt Joint Union Elementary School District** (hereinafter referred to as the local educational agency “LEA” or “District”) and **Point Quest Education** (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”), along with 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 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 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, 2016 to June 30, 2017 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. However, the parties acknowledge that any subsequent Master Contract is to be re-negotiated prior to June 30, 2017. (Cal. Code Regs., tit. 5, § 3062(d).) In the event a Master Contract is not renegotiated by June 30th, an interim contract may be made available as mutually agreed upon for up to 90 days from July 1 of the new fiscal year. 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 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 agrees otherwise or an interim alternative educational placement is deemed lawful and appropriate by LEA or OAH. 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 California Code of Regulations, title 5, sections 3064 and 3065 and 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 Service 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 the 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 Section 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 and the Board of Education additional insured's premiums on all insurance policies and 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.

Consistent with Section 5 of this Master Contract, however, the Master Contract may be amended only by written amendment executed by both Parties.

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) 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 to LEA for approval the proposed subcontract. 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 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.

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. Per Sections 60851.5 and 60851.6 of the California Education Code, these requirements do not include passing the California High School Exit Exam ("CAHSEE") as the administration of that examination is currently suspended.

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 treatment 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 an 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 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.

CONTRACTOR providing special education instruction for individuals with exceptional needs between the ages of three (3) and five (5) years, inclusive, shall also comply with the appropriate instructional adult to child ratios pursuant to California Education Code sections 56440 *et seq.*

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 shall agree 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 ("CAASP"), Desired Results Developmental Profile ("DRDP"), achievement and abilities tests (using LEA-authorized assessment instruments), and the Fitness Gram, California English Language Development Test ("CELDT") 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 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

CONTRACTOR shall comply with all requirements of Education Code section 56521.1 and 56521.2 regarding positive behavior interventions. Failure to do so shall constitute sufficient cause for contract termination.

LEA students who exhibit serious behavioral challenges must receive timely and appropriate assessments and positive supports and interventions in accordance with the federal law and its 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 Education Code section 56521.1, emergency interventions shall not be used as a substitute for a BIP that is designed to change, replace, modify, or eliminate a targeted behavior, and instead 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. Before emergency interventions may be applied, the behavior must be of the kind that cannot be immediately prevented by a response less restrictive than the temporary application of a technique used to contain the behavior. Emergency interventions shall not be employed longer than necessary 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 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 be submitted to LEA within twenty-four (24) hours 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.

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 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 designated by LEA at LEA's discretion, for all IEP planning and progress reporting. LEA or SELPA shall provide training for any nonpublic school and nonpublic agency to assure access to SEIS or the comparable program/system designated for use by LEA. The nonpublic school and/or nonpublic agency shall maintain confidentiality of all IEP data on SEIS or 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 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 placement is deemed lawful and appropriate by LEA or OAH.

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 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 231.5; (4) Title IX Student Grievance Procedures pursuant to Title 34 of the Code of Federal Regulations sections 106.8(a) and 106.9(a); (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 LEA student one month 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.

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 and clear 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 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.

CONTRACTORS 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/nonpublic agency service provider. Moreover, for services provided in a pupil's home as specified in the IEP, CONTRACTORS 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 Education Code sections 56366(a)(2)(C) and 56366.9, 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 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); 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 representatives from LEA 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, LEA shall annually evaluate whether CONTRACTOR is in compliance with Education Code section 56366.9 and Health and Safety Code section 1501.1(b).

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 standard 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 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 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 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.* Specifically, 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 an 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. Reports regarding student progress shall be consistent with the provision of this Master Contract.

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 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 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 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 an 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 within 24 hours, submit electronically, any accident or incident report to LEA. CONTRACTOR shall properly submit required 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 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*, available on the District's Risk Management Web Site at: <http://www.egusd.net/riskmanagement/Info-MandRep.html>.

In the event there is suspicion of abuse conducted by District staff (e.g. a student reports to CONTRACTOR staff of abuse from District staff), 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. 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 children enrolled and will distribute those resources in such a manner to implement the IEP and ISA for each and every child.

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 rebilling 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 rebilling for the Master Contract fiscal year (July through June) extend beyond six months after the close of the fiscal year unless approved by LEA to resolve billing issues including rebilling issues directly related to a delay in obtaining information from the Commission on Teacher Credentialing regarding teacher qualification, but no later than 12 months from the close of the fiscal year. If the billing or rebilling error is the responsibility of LEA, then no limit is set provided that LEA and CONTRACTOR have communicated such concerns in writing during the 12-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. It is understood that no payments shall be made for any invoices that are not received by six 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 provide LEA access to all records as defined in 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 percentage of a 314-minute instructional day.

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.

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 2016 and terminates at 5:00 P.M. on June 30, 2017, unless sooner terminated as provided herein.

CONTRACTOR
Point Quest Education

Nonpublic School/Agency

By: Ronda A. Jagers 03/29/17
Signature Date

Ronda Jagers, Director/CEO
Name and Title of Authorized Representative

Notices to CONTRACTOR shall be addressed to:
Ronda Jagers, Director/CEO

Name and Title
Point Quest Education
Nonpublic School/Agency/Related Service Provider
18051 North Ray Road

Address
Lodi, CA 95242

City State Zip
916-422-0571 916-422-0160

Phone Fax
sthao@pointquested.com

Email*
(*Required)

LEA
Galt Joint Union Elementary School District

By: Tom Barentson 3/29/2017
Signature Date

By: **Tom Barentson**
Director of Business Services
Name and Title of Authorized Representative

Notices to LEA shall be addressed to:
Jamie Hughes, Program Coordinator

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 327 (209) 744-4554

Phone Fax
jhughes@galt.k12.ca.us

Email

Additional LEA Notification
(Required if Completed)

Amanda Johnson, 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
ajohnson@galt.k12.ca.us

Email

EXHIBIT A: RATES - NON-PUBLIC SCHOOL ONLY – 2016-2017 CONTRACT YEAR

CONTRACTOR Point Quest Education (a division of Victor Treatment Centers, Inc.) **CONTRACTOR NUMBER** 9- **2016-2017**
(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. <u>Basic Education Program/Special Education Instruction</u>	\$ 150. ⁰⁰	Daily
Basic Education Program/Dual Enrollment	\$31.78 (9)	

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	ROUND TRIP
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	\$ 100. ⁰⁰	Hour
b. Language and Speech Therapy – Group of 2	\$ 100. ⁰⁰	Hour
c. Language and Speech Therapy – Group of 3	\$ 100. ⁰⁰	Hour
d. Language and Speech Therapy – Per diem	\$ 100. ⁰⁰	Hour
e. Language and Speech - Consultation Rate	\$ 100. ⁰⁰	Hour
(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**	\$ 25. ⁰⁰	Hour
(7) a. Occupational Therapy – Individual	\$ 110. ⁰⁰	Hour
b. Occupational Therapy – Group of 2	\$ 110. ⁰⁰	Hour
c. Occupational Therapy – Group of 3	\$ 110. ⁰⁰	Hour
d. Occupational Therapy – Group of 4 - 7	\$ 110. ⁰⁰	Hour
e. Occupational Therapy - Consultation Rate	\$ 110. ⁰⁰	Hour
(9) Physical Therapy		
(10) a. Behavior Intervention – BII		
b. Behavior Intervention – BID		
Provided by: _____		
(11) Nursing Services		

*Parent transportation reimbursement rates are to be determined by LEA.
 **By credentialed Special Education Teacher.



CONSENT CALENDAR

Out of State Conference Attendance

2017 Teacher Quality Programs Education Summit

May 11-12, 2017, Arlington VA

The Teacher Quality Programs (TQP) Division of the U.S. Department of Education is holding the 2017 Teacher Quality Programs Education Summit on May 11-12, 2017. This summit is open to all grantees funded under the TQP Division including Race to the Top District grantees.

The TQP Summit will provide opportunities for peer to peer learning, idea-sharing, and networking among fellow practitioners. Grantees will explore best practices that have improved educator effectiveness and diversified the educator workforce which improved student achievement across the country. Grantees will also explore how fellow practitioners support school districts to implement policies and practices that help to ensure equitable access to high quality educators in the lowest performing schools.

The following educators are requesting approval to attend:

- Claudia Del Toro-Anguiano, Curriculum Director
- Lois Yount, Principal
- Stephanie Simonich and Laura Marquez, Assistant Principals
- Kim Lizama, Teacher

In addition, Claudia Del Toro-Anguiano will attend a "listening session" with White House representatives on May 10, 2017. The session will be similar to the discussion Karen Schauer attended at the White House, November 15-16, 2016 to discuss achievements and challenges of next generation schooling.

Funding: Race To The Top-District Funds

2017 Power of Partnerships Convening

June 29-30, 2017, Seattle WA

The District Reform Support Network, the U.S. Department of Education's Office of Innovation and Improvement, and leaders with expertise in personalized learning and building strategic partnerships is convening leaders in next generation teaching and learning innovation to support sustaining and scaling personalized learning efforts pre-K University to and through College, Career and Life.

A powerful team is being organized to include GJUESD Superintendent, Galt High School District Leader, University Partner, Philanthropy Partner, Business/Community Partner.

Convening Objectives: 1.) how to leverage partnerships to adequately prepare and retain students throughout the Pre-K-12 school experience, for post-secondary environments, and for the workplace 2.) Grow skills in key competencies needed to build a sustainable partnership 3.) Identify actionable steps to support the pursuit and/or maintenance of collaborative partnerships

Participant Experience: The convening will offer experiences for those who are building partnerships and those who have established partnerships but want to go deeper. Participants will have access to knowledge, skill and mindset activities and opportunities for exploration and collaboration with peers and experts to help produce specific next steps for building or scaling partnerships to sustain and grow personalized learning efforts.

Karen Schauer and Two District Directors are requesting approval to attend.

Funding: Race To The Top-District Funds



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: 4/26/17	Agenda Item: 131.845 Consent Calendar (continued)- Items Removed For Later Consideration
Presenter: Karen Schauer	Action Item: XX Information Item:

The Board will have the opportunity to address any items that are moved from the consent calendar.



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: 4/26/17	Agenda Item: 131.846 Board Consideration of Approval of Resolution #7; GJUESD Resolution Prescribing The Terms And Authorizing The Issuance Of Bonds Of The District; Approving Forms Of And Authorizing Execution And Delivery Of A Paying Agent Agreement, A Bond Purchase Agreement, A Continuing Disclosure Certificate, And An Official Statement; Authorizing Distribution Of The Official Statement And Sale Documents; And Authorizing Execution Of Necessary Certificates And Related Actions
Presenter: Tom Barentson	Action Item: XX Information Item:
<p>Resolution In addition to authorizing the sale of the Bonds via a competitive bidding process using the negotiated sale statutes, the resolution also sets the maximum amount of Bonds that may be issued (\$9.6 million), approves the forms of various financing documents listed below and authorizes certain District officials to execute the final versions of such documents to be completed after the sale of the Bonds.</p> <p>Form of Paying Agent Agreement The Paying Agent Agreement defines the responsibilities of the paying agent, Zions Bank, which includes maintaining the list of bondholders, receiving debt service payments from the County and forwarding such payments to the bondholders on the payment dates. (Note that Zions Bank was selected using a competitive bid process.) The Paying Agent Agreement also prescribes certain terms and conditions of the Bonds, including the principal maturity dates, interest payment dates and how the Bonds may be refinanced in the future. The paying agent will also be responsible for paying various professional invoices from Bond proceeds for services rendered in connection with the bond issuance.</p> <p>The final Bonds, the form of which is attached as an appendix to the Paying Agent Agreement, will be executed by the District prior to closing and entitle the holders thereof to receive principal and interest pursuant to the terms described in the Paying Agent Agreement. Attached to the form of Bonds is the form of the legal opinion from bond counsel, Parker & Covert. The legal opinion documents bond counsel's opinion that 1) the Bonds have been legally authorized and issued and 2) the Bonds are exempt from federal and state income tax.</p> <p>Form of Bond Purchase Agreement The Bond Purchase Agreement specifies the terms and conditions under which the underwriter will purchase the Bonds, identifies the purchase price that the District will receive and the debt service due on the Bonds, outlines the documents that are required to close the financing and describes conditions under which the agreement can be canceled by the underwriter. This document will be finalized on the day of sale of the Bonds (anticipated to be June 6, 2017).</p> <p>Form of Continuing Disclosure Certificate The Continuing Disclosure Certificate outlines the District's responsibilities for updating the municipal market and investors with information after the Bonds have been issued. The intent is to inform the market of the annual financial condition of the District as well as other significant events. The required content of the annual report and the list of significant events are outlined in the Continuing Disclosure Certificate.</p> <p>Preliminary Official Statement The Preliminary Official Statement (the "POS") is the offering document containing material information for an investor to make an informed investment decision. Please note that the POS provided is a draft and is not complete. The completed version of the POS will be distributed to underwriters approximately one week before the currently planned sale date of June 6, 2017.</p> <p>After the sale of the Bonds, we will incorporate the terms of the sale, including the final principal amounts and interest rates, at which point the document becomes the final Official Statement. The resolution also authorizes officers of the District to execute the final Official Statement.</p>	

RESOLUTION NO. 7

**A RESOLUTION OF THE BOARD OF EDUCATION OF THE
GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
PRESCRIBING THE TERMS AND AUTHORIZING THE ISSUANCE OF BONDS OF
THE DISTRICT; APPROVING FORMS OF AND AUTHORIZING EXECUTION AND
DELIVERY OF A PAYING AGENT AGREEMENT, A BOND PURCHASE
AGREEMENT, A CONTINUING DISCLOSURE CERTIFICATE, AND AN OFFICIAL
STATEMENT; AUTHORIZING DISTRIBUTION OF THE OFFICIAL STATEMENT
AND SALE DOCUMENTS; AND AUTHORIZING EXECUTION OF NECESSARY
CERTIFICATES AND RELATED ACTIONS**

WHEREAS, pursuant to California Education Code sections 5304, 5322 and 15264 *et seq.*, Article XIII A, Section 1(b), and Article XVI, Section 18(b), of the California Constitution, the Board of Education (the “Board”) of the Galt Joint Union Elementary School District (the “District”) adopted its Resolution No. 16 on July 27, 2016 (the “Election Resolution”), ordering a school bond election, which was then regularly held in the District on November 8, 2016;

WHEREAS, the measure for incurring bonded indebtedness, which was fully described in the Election Resolution, was submitted to the voters at the election and abbreviated on the ballot as follows:

MEASURE 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?”

BONDS-YES

BONDS-NO

WHEREAS, the returns of the election were thereafter canvassed pursuant to law, the Certificates of Election received from the Registrars of Voters of Sacramento County and San Joaquin County authenticated that more than 55% (the amount required for passage) of the votes cast were in favor of issuing the general obligation bonds (the “Bonds”), the Board entered that fact upon its minutes on December 14, 2016, and thereafter certified the election proceedings to the Board of Supervisors (“Board of Supervisors”) of Sacramento County (the “County”), with a copy to the San Joaquin County Board of Supervisors;

WHEREAS, the Board is in the process of establishing and appointing a Citizens' Oversight Committee in accordance with Education Code Section 15278;

WHEREAS, the Board has determined that it is necessary and desirable to issue and sell the first series of the Bonds authorized by the electors, such series of the Bonds to be designated generally the "Galt Joint Union Elementary School District, General Obligation Bonds, Election of 2016, Series 2017" (the "Series 2017 Bonds"), in an aggregate principal amount set for the below, according to the terms and in the manner hereinafter set forth;

WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of the Series 2017 Bonds of the District; and

WHEREAS, the indebtedness of the District, including the proposed issuance of the Series 2017 Bonds, is within all limits prescribed by law.

NOW, THEREFORE, be it resolved by the Board of Education of the Galt Joint Union Elementary School District, as follows:

Section 1. Recitals. The Board hereby finds and determines that the foregoing recitals are true and correct.

Section 2. Series 2017 Bonds; Issue Authorized. The Board hereby authorizes the issuance of the Series 2017 Bonds in an aggregate principal amount not to exceed \$9,600,000. The costs of issuance of the Series 2017 Bonds (including estimates of compensation for the underwriter) are estimated to be \$320,000. The premium for bond insurance, to be purchased by the underwriter of the Series 2017 Bonds at the underwriter's option and expense only if financially efficient, is estimated to be \$110,000. The District is issuing the Series 2017 Bonds pursuant to the terms of Article 4.5, Chapter 3, Part 1, Division 1, Title 1 of the California Government Code (commencing with Section 53506). Other terms and conditions of the Series 2017 Bonds and their execution, issuance, and sale, not prescribed by Article 4.5 referred to above, shall be governed by the relevant provisions of the Government Code and Education Code.

Section 3. Approval of Paying Agent Agreement. The Board hereby approves the form of the Paying Agent Agreement (the "Paying Agent Agreement") between the District and Zions Bank, a division of ZB, National Association (the "Paying Agent"), as presented to this meeting and on file with the Secretary of the Board. The President, Vice President, Clerk, and Secretary of the Board, the Superintendent, and the Director of Business Services/CBO (the "Designated Officers"), or their designees, and each of them individually, are hereby authorized for and in the name of and on behalf of the District, to execute and deliver to the Paying Agent, the Paying Agent Agreement in substantially that form, with such changes therein as the Designated Officer or Officers executing the Paying Agent Agreement, with the advice of Parker & Covert LLP ("Bond Counsel"), may require or approve. The execution of the Paying Agent Agreement by a Designated Officer or Officers shall constitute conclusive evidence of such officer's or officers' and the Board's approval of such changes. The date, respective principal amounts of each maturity, the interest rates, interest payment dates, denominations, form,

registration privileges, place or places of payment, terms of redemption, and other terms of the Series 2017 Bonds shall be as provided in the Paying Agent Agreement, as finally executed.

Section 4. Approval of Method of Sale and Bond Purchase Agreement. The Board hereby approves and authorizes Government Financial Strategies inc. (the “Financial Advisor”) to conduct a negotiated sale of the Series 2017 Bonds following a competitive bidding process to select, with the approval of a Designated Officer, a firm to underwrite the Series 2017 Bonds. The Board hereby further authorizes the sale of the Series 2017 Bonds with an underwriter’s discount, net of the cost of bond insurance, if any, in an amount not to exceed 2.0% of the principal amount of the Series 2017 Bonds. The method of sale described above has been selected by the Board since it offers greater flexibility than a public sale process in setting and changing the time and terms of the sale. The Board hereby further approves the form of the Bond Purchase Agreement relating to the Series 2017 Bonds (the “Bond Purchase Agreement”) between the District and the underwriter to be designated in the Bond Purchase Agreement (the “Underwriter”), in the form as presented to this meeting, and on file with the Secretary of the Board. The Designated Officers, or their designees, and each of them individually, are hereby authorized for and in the name of and on behalf of the District, to negotiate the final terms of the sale of the Series 2017 Bonds with the Underwriter, selected by such Designated Officers, upon the recommendation of the District’s Financial Advisor, and based on a competitive bidding process conducted by the Financial Advisor. Further, the Designated Officers, or their designees, and each of them individually, are hereby authorized for and in the name of and on behalf of the District, to sell the Series 2017 Bonds pursuant to the Bond Purchase Agreement, and to execute and deliver to the Underwriter, the Bond Purchase Agreement in substantially that form, with such changes therein as the Designated Officer or Officers executing the Bond Purchase Agreement, with the advice of Bond Counsel, may require or approve. The execution of the Bond Purchase Agreement by a Designated Officer or Officers shall constitute conclusive evidence of such officer’s or officers’ and the Board’s approval of such changes.

Section 5. Approval of Continuing Disclosure Certificate. The Board hereby approves the form of the Continuing Disclosure Certificate relating to the Series 2017 Bonds (the “Continuing Disclosure Certificate”), as presented to this meeting and on file with the Secretary of the Board. The Designated Officers, or their designees, and each of them individually, are hereby authorized for and in the name of and on behalf of the District, to execute and deliver to the other parties thereto, the Continuing Disclosure Certificate in substantially that form, with such changes therein as the Designated Officer or Officers executing the Continuing Disclosure Certificate, with the advice of Bond Counsel, may require or approve. The execution of the Continuing Disclosure Certificate by a Designated Officer or Officers shall constitute conclusive evidence of such officer’s or officers’ and the Board’s approval of such changes.

Section 6. Official Statement. The Board hereby approves the form of the Preliminary Official Statement relating to the Series 2017 Bonds (the “Preliminary Official Statement”), with such additions, changes, and deletions as permitted hereunder and under applicable law (the “Official Statement”), presented to this meeting and on file with the Secretary of the Board. The Designated Officers, or their designees, and each of them individually, are hereby authorized and directed to execute the Official Statement in substantially that form, with such changes as the Designated Officer or Officers, upon the advice of the Financial Advisor, may require or approve. The execution of the Official Statement by a

Designated Officer or Officers shall constitute conclusive evidence of such officer's or officers' and the Board's approval of such changes. The Board hereby authorizes and directs the Financial Advisor to distribute copies of the Preliminary Official Statement to underwriters, who in turn may distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Series 2017 Bonds, and authorizes and directs the Underwriter to deliver copies of the final Official Statement to all purchasers of the Series 2017 Bonds. The Board hereby authorizes and directs the Designated Officer or Officers to deliver to the Underwriter certification to the effect that the Board deems the Preliminary Official Statement, with such changes approved by the Designated Officer or Officers, to be final and complete as of its date, except for certain final pricing and related information that may be omitted pursuant to Rule 15c2-12 of the Securities and Exchange Commission.

Section 7. Valid Obligations. The Board hereby determines that all acts and conditions necessary to be performed by the District or to have been met precedent to and in the issuing of the Series 2017 Bonds in order to make them legal, valid, and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Series 2017 Bonds have been performed and have been met, in regular and due form as required by law; that the full faith and credit of the District are hereby pledged for the timely payment of the principal and interest on the Series 2017 Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Series 2017 Bonds.

Section 8. Paying Agent's Fees. In accordance with Education Code section 15232, the District hereby requests the Board of Supervisors of the County, in cooperation with the Board of Supervisors of San Joaquin County, to include within the annual tax levy for the Series 2017 Bonds the fees and expenses payable to the Paying Agent.

Section 9. Building Fund and Tax Collection Fund. (A) **Building Fund.** The District shall establish and create and/or maintain the "Galt Joint Union Elementary School District, Building Fund" (the "Building Fund"), and keep the fund separate and distinct from all other District and County funds. The District shall deposit the proceeds of the sale of the Series 2017 Bonds (except any premium or accrued interest received from the sale) into the Building Fund for use by the District to pay the costs of the school facilities described in the bond measure approved by the voters of the District, and to pay costs of issuance of the Series 2017 Bonds.

(B) **Tax Collection Fund.** The District hereby requests that the Sacramento County Director of Finance (the "Director of Finance") establish and create and/or maintain the "Galt Joint Union Elementary School District, General Obligation Bonds, Tax Collection Fund (the "Tax Collection Fund"), and keep the fund separate and distinct from all other District and County funds. The District hereby further requests that the Director of Finance deposit any premium received from the sale of the Series 2017 Bonds into the Tax Collection Fund. The District hereby further requests that the Director of Finance withdraw from the Tax Collection Fund and transfer to the Paying Agent at the times requested by the District the amounts required to pay debt service on the Series 2017 Bonds, and to pay the fees and expenses of the Paying Agent.

Section 10. Identification of Professionals Involved. The Board hereby approves the firm of Government Financial Strategies inc. to act as Financial Advisor; Zions Bank, a division of ZB, National Association to act as Paying Agent; and the firm of Parker & Covert LLP, to act as bond counsel to the District, with respect to the sale and delivery of the Series 2017 Bonds.

Section 11. Official Intent. The District intends to undertake the construction, repair and acquisition of school facilities and equipment, described in the bond measure, to serve the District (the “Improvements”). The District intends to use the proceeds of its Series 2017 Bonds described in this Resolution to finance the Improvements. The District expects to pay certain capital expenditures (the “Reimbursement Expenditures”) in connection with the Improvements prior to the issuance by it of the indebtedness for the purpose of financing the costs of the Improvements on a long-term basis. The District reasonably expects that the Series 2017 Bonds debt obligations will be issued by it for the purpose of financing the cost of the Improvements on a long-term basis, and that certain of the proceeds of such debt obligations will be used to reimburse the District for the Reimbursement Expenditures.

The Board hereby declares the District’s official intent to use a portion of the proceeds of the proposed indebtedness to reimburse the District for the Reimbursement Expenditures. The foregoing statement is a declaration of official intent that is made under and only for the purpose of establishing compliance with the requirements of Treasury Regulations section 1.150-2 and Section 54A(d)(2)(D) of the Internal Revenue Code of 1986, as amended.

Section 12. Authorization of Officers to Execute Documents. The Board hereby authorizes and directs the Designated Officers or their respective designees, and each of them individually, to do any and all things, to take any and all actions, and to execute and deliver any and all documents that they may deem necessary or advisable, in order to complete the sale, issuance, and delivery of the Series 2017 Bonds, and otherwise to carry out, give effect to, and comply with the terms and intent of this Resolution. All actions heretofore taken by such officers and staff that are in conformity with the purposes and intent of this Resolution are hereby ratified, confirmed, and approved in all respects.

Section 13. Effective Date. This resolution shall take effect immediately upon its passage.

[Signature Page Follows]

APPROVED, PASSED, AND ADOPTED on April 26, 2017, by the Galt Joint Union Elementary School District Board of Education, by the following vote:

AYES _____

NOES _____

ABSENT _____

ABSTAIN _____

**GALT JOINT UNION ELEMENTARY
SCHOOL DISTRICT**

By: _____
President of the Board of Education

ATTEST:

By: _____
Secretary of the Board of Education

PAYING AGENT AGREEMENT

between

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT

and

**ZIONS BANK,
a division of ZB, National Association**

as Paying Agent

Dated June 1, 2017

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 2016, SERIES 2017**

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PAYING AGENT AGREEMENT

This PAYING AGENT AGREEMENT, dated June 1, 2017 (this “Paying Agent Agreement”), is by and between the GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT, a school district duly established and existing under the laws of the State of California (the “District”), and ZIONS BANK, a division of ZB, National Association, a national banking association duly organized and existing pursuant to the laws of the United States of America (the “Paying Agent”).

WITNESSETH:

WHEREAS, the District is authorized pursuant to Education Code sections 15264 et seq. and Government Code sections 53506 et seq. and the approving vote of its qualified electors at an election held on November 8, 2016 (the “2016 Election”), to issue or have issued on its behalf general obligation bonds (the “Bonds”) in an aggregate principal amount not exceeding \$19,700,000;

WHEREAS, the District intends to issue its first series of Bonds (the “Series 2017 Bonds”) in an aggregate principal amount not exceeding Nine Million Six Hundred Thousand Dollars (\$9,600,000), pursuant to Government Code sections 53506 et seq., to pay the cost of the acquisition, construction, and completion of improvements described in the measure approved in the 2016 Election, including (i) all necessary legal, financial, engineering, and contingent costs in connection therewith; and (ii) certain legal, accounting, and financing expenses incurred in connection with the issuance of the Series 2017 Bonds;

WHEREAS, the District and the Paying Agent have determined to enter into this Paying Agent Agreement in order to provide for the authentication and delivery of the Series 2017 Bonds, to establish and declare the terms and conditions upon which the Series 2017 Bonds shall be issued and secured, and to secure the payment of the principal thereof and premium (if any) and interest thereon;

WHEREAS, the execution and delivery of this Paying Agent Agreement have in all respects been duly and validly authorized by a resolution duly passed and approved by the District; and

WHEREAS, the District has determined that all acts, conditions, and things required by law to exist, to have happened, and to have been performed precedent to and in connection with the execution and the entering into of this Paying Agent Agreement do exist, have happened, and have been performed in regular and due time, form, and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Paying Agent Agreement.

NOW, THEREFORE, THIS PAYING AGENT AGREEMENT WITNESSETH that, in order to secure the payment of the principal of and the interest on all Bonds at any time issued, authenticated, and delivered hereunder, and to provide the terms and conditions under which all property, rights, and interests hereby assigned and pledged are to be dealt with and disposed of, and to secure performance and observance of the terms, conditions, covenants, and agreements

hereinafter expressed, and in consideration of the promises and of the material covenants herein contained, and of the purchase and acceptance of the Bonds by the Owners (as defined herein) thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the District does hereby agree and covenant with the Paying Agent for the benefit of the respective Owners, from time to time, of the Bonds, or any part thereof, as follows:

ARTICLE 1
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICABILITY

Section 1.1. Definitions.

(A) General Principles of Interpretation. For all purposes of this Paying Agent Agreement and of any Supplemental Paying Agent Agreement and of any certificate, opinion, or other document herein mentioned, unless the context otherwise requires:

1. The terms defined in this Section shall have the meanings herein specified and include the plural as well as the singular.

2. All accounting terms not otherwise defined herein have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles.

3. All references herein to “generally accepted accounting principles” refer to such principles as they exist at the date of applicability thereof.

4. All references herein to “Articles,” “Sections,” and other subdivisions are to the designated Articles, Sections, and other subdivisions of this Paying Agent Agreement as originally executed.

5. The words “herein,” “hereof,” “hereby,” “hereunder,” and other words of similar import refer to this Paying Agent Agreement as a whole and not to any particular Article, Section, or other subdivision.

6. Words of any gender shall mean and include words of all other genders.

7. Unless otherwise defined in this Paying Agent Agreement, all terms used herein shall have the meanings assigned to such terms in the Bond Law.

(B) Specific Definitions. For all purposes of this Paying Agent Agreement and of any Supplemental Paying Agent Agreement and of any certificate, opinion, or other document herein mentioned, unless the context otherwise requires, the following terms have the meanings herein specified:

Accreted Value means, with respect to any Capital Appreciation Bond, the principal amount thereof plus the interest accrued thereon from its date, compounded at the interest rate thereon on each date specified therein. The Accreted Values at any compounding date to which reference is made shall be the amounts set forth in the Accreted Value Table as of such date.

The Accreted Value between compounding dates shall be calculated assuming that the Accreted Values increase in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

Accreted Value Table means the table by that name attached as an exhibit to this Paying Agent Agreement or a Supplemental Paying Agent Agreement for the Series of Capital Appreciation Bonds issued pursuant thereto.

Authorized District Representative means the Superintendent, the Assistant Superintendent, Business Services, or the Chief Financial Officer of the District, and any other designee of the Superintendent or the Board, acting with the authority of the Superintendent.

Board means the governing Board of Education of the District.

Bond or Bonds means the Galt Joint Union Elementary School District, General Obligation Bonds, Election of 2016, authorized by, and at any time Outstanding pursuant to, this Paying Agent Agreement, or any supplement hereto.

Bond Law means Sections 15100 *et seq.* and Sections 15264 *et seq.* of the California Education Code, Government Code sections 53506 *et seq.*, Government Code sections 53550 *et seq.*, and other provisions of California law concerning the issuance of debt payable from *ad valorem* property taxes, as now in effect and as such statutes may from time to time hereafter be amended or supplemented.

Bond Obligation means, as of any date (1) with respect to any Outstanding Current Interest Bond, the principal amount of such Bond, and (2) with respect to any Outstanding Capital Appreciation Bond, the Accreted Value thereof.

Bond Register has the meaning stated in Section 2.5 (Registration, Transfer, and Exchange).

Building Fund means the building fund of the District established pursuant to Education Code section 15146 and the request of the District.

Business Day means any day other than a Saturday, Sunday, or a day on which banking institutions in the State are authorized or obligated by law or executive order to be closed.

Capital Appreciation Bonds means the Bonds of any Series designated as Capital Appreciation Bonds in this Paying Agent Agreement or the Supplemental Paying Agent Agreement providing for the issuance of such Series and on which interest is compounded and paid at maturity or on prior redemption.

Certificate, Statement, Request, Requisition, and Order of the District mean, respectively, a written certificate, statement, request, requisition, or order signed in the name of the District by an Authorized District Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion, or representation, and the two or more so combined shall be read

and construed as a single instrument. If and to the extent required by Section 1.6 (Form and Content of Certificates and Opinions), each such instrument shall include the statements provided for in Section 1.6 (Form and Content of Certificates and Opinions).

Closing Date, with respect to a Series of Bonds, means the date of delivery of the Bonds of such Series to the initial purchaser thereof.

Code means the Internal Revenue Code of 1986, as amended, and the regulations applicable to or issued thereunder.

Continuing Disclosure Certificate means, with respect to a Series of Bonds, the certificate or agreement delivered on the Closing Date of such Series concerning the District's undertakings made to allow the Participating Underwriters to fulfill their responsibilities under Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as such certificate or agreement was originally executed by the District or as it may from time to time be supplemented or amended in accordance with its terms.

Costs of Issuance means all items of expense directly or indirectly payable by or reimbursable to the District and related to the original authorization, execution, sale, and delivery of the Bonds, including, but not limited to, advertising and printing costs, costs of preparation and reproduction of documents, costs of printing and distribution of the preliminary and final official statements, filing and recording fees, initial fees and charges of the Paying Agent, legal fees and charges, fees and disbursements of consultants and professionals, financial advisor fees and expenses, rating agency fees, premiums and other fees for municipal bond insurance and other credit enhancement, fees and charges for preparation, execution, transportation, and safekeeping of the Bonds, and any other cost, charge, or fee in connection with the original delivery of the Bonds.

Costs of Issuance Fund means the fund held by the Paying Agent for the purposes of paying Costs of Issuance.

County means Sacramento County, State of California.

Current Interest Bonds means the Bonds of any Series designated as Current Interest Bonds in this Paying Agent Agreement or the Supplemental Paying Agent Agreement providing for the issuance of such Series of Bonds and that pay interest at least semiannually to the Owners thereof (excluding the first payment of interest thereon).

DTC means The Depository Trust Company, a New York corporation.

Debt Service Fund means the fund by that name established pursuant to and governed by Section 7.2 (Payment of Debt Service).

Defeasance Securities means (1) cash; (2) direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("U.S. Treasury Obligations"); (3) obligations fully and unconditionally guaranteed as to timely payment of

principal and interest by the United States of America; (4) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America; or (5) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

Director of Finance means the Director of Finance of Sacramento County.

District means the Galt Joint Union Elementary School District, a school district of the State of California, duly organized and existing under the Constitution and laws of the State.

Event of Default means any of the events specified in Section 9.1 (Events of Default).

Fiscal Year means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve (12) month period hereafter selected and designated as the official fiscal year period of the District.

Information Service means the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access (“EMMA”) website, or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds, or no such services, as the District may designate in a Request of the District delivered to the Paying Agent.

[Insurance Policy] means the municipal bond insurance policy issued by the Insurer and delivered simultaneously with the issuance and delivery of the Series 2017 Bonds, that guarantees the schedule payment of the principal of and interest on the Series 2017 Bonds when due.

Insurer means [INSURER], or any successor thereto.]

Interest Payment Date with respect to the Bonds of any Series means the date or dates specified in such Bonds on which installments of interest on such Bonds are due and payable.

Investment Securities means the following:

1. (a) cash; (b) direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America (“U.S. Treasury Obligations”); (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America; (d) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America; or (e) evidences of ownership of proportionate interests in future interest and principal

payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated. THE ABOVE-REFERENCED OBLIGATIONS MAY CONSTITUTE DEFEASANCE OBLIGATIONS.

Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

2. Federal Housing Administration debentures.
3. The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:
 - (a) Federal Home Loan Mortgage Corporation (FHLMC) senior debt obligations and bonds (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);
 - (b) Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes;
 - (c) Federal Home Loan Banks (FHL Banks) consolidated debt obligations; or
 - (d) Federal National Mortgage Association (FNMA) senior debt obligations and mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts).
4. Interest-bearing deposit accounts (including certificates of deposit) and bankers' acceptance in federal or State chartered savings and loan associations or in federal or State of California banks (including the Paying Agent), provided that: (i) the unsecured obligations of such commercial bank or savings and loan association are rated "AA" or better by S&P; or (ii) such deposits are fully insured by the Federal Deposit Insurance Corporation; or (iii) deposits (including those of the Paying Agent, its parent and its affiliates) secured at all times by collateral that may be used by a national bank for purposes of satisfying its obligations to collateralize under federal law, which are issued by commercial banks, savings and loan associations or mutual savings banks whose short-term obligations are rated "A-1" or better by S&P.
5. Commercial paper (having original maturities of not more than 270 days) rated "A-1+" by S&P and "Prime-1" by Moody's. Entities that may issue commercial paper shall be consistent with California Government Code section 53601 or its equivalent.

6. Money market funds rated “Aam” or “AAm-G” by S&P, or better and if rated by Moody’s rated “Aa2” or better.

7. “State Obligations,” which means:

(a) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated at least “A3” by Moody’s and at least “A-” by S&P, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(b) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (a) above and rated “A-1+” by S&P and “MIG-1” by Moody’s.

(c) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state or state agency described in (b) above and rated “AA-” or better by S&P and “Aa3” or better by Moody’s.

8. Pre-refunded municipal obligations rated “AAA” by S&P and “Aaa” by Moody’s meeting the following requirements:

(a) the municipal obligations are (1) not subject to redemption prior to maturity or (2) the paying agent for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(b) the municipal obligations are secured by cash or U.S. Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(c) the principal of and interest on the U.S. Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations (“Verification Report”);

(d) the cash or U.S. Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or Paying Agent in trust for owners of the municipal obligations;

(e) no substitution of a U.S. Treasury Obligation shall be permitted except with another U.S. Treasury Obligation and upon delivery of a new Verification Report; and

(f) the cash or U.S. Treasury Obligations are not available to satisfy any other claims, including those by or against the Paying Agent or escrow agent.

9. Repurchase agreements: with (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least “A-” by S&P and “A3” by Moody’s; or (2) any broker-dealer with “retail customers” or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least “A-” by S&P and “A3” by Moody’s, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated at least “A-” by S&P and “A3” by Moody’s (each an “Eligible Provider”), provided that:

(a) (i) permitted collateral shall include U.S. Treasury Obligations, or senior debt obligations of GNMA, FNMA or FHLMC (no collateralized mortgage obligations shall be permitted for these providers), and (ii) collateral levels must be at least 102% of the total principal when the collateral type is U.S. Treasury Obligations, 103% of the total principal when the collateral type is GNMA’s and 104% of the total principal when the collateral type is FNMA and FHLMC (“Eligible Collateral”);

(b) the Paying Agent or a third party acting solely as agent therefor or for the District (the “Custodian”) has possession of the collateral or the collateral has been transferred to the Custodian in accordance with applicable state and federal laws (other than by means of entries on the transferor’s books) and such collateral shall be marked to market;

(c) the collateral shall be marked to market on a daily basis and the provider or the Custodian shall send monthly reports to the Paying Agent and the District setting forth the type of collateral, the collateral percentage required for that collateral type, the market value of the collateral on the valuation date and the name of the Custodian holding the collateral;

(d) the repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Custodian has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof;

(e) the repurchase agreement shall provide that if during its term the provider’s rating by either Moody’s or S&P is withdrawn or suspended or falls below “A-” by S&P or “A3” by Moody’s, as appropriate, the provider must, notify the District and the Paying Agent within five (5) days of receipt of such notice. Within ten (10) days of receipt of such notice, the provider shall either: (i) post Eligible Collateral or (ii) assign the agreement to an Eligible Provider. If the provider does not perform a remedy within ten (10) business days, the provider shall, at the direction of the Paying Agent, repurchase all collateral and terminate the repurchase agreement, with no penalty or premium to the District or the Paying Agent.

10. Investment agreements: with a domestic or foreign bank or corporation the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least “AA-” by S&P and “Aa3” by Moody’s (each an “Eligible Provider”); provided that:

(a) interest payments are to be made to the Paying Agent at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Bonds;

(b) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven (7) days' prior notice; the District and the Paying Agent hereby agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(c) the provider shall send monthly reports to the Paying Agent and the District setting forth the balance the District or the Paying Agent has invested with the provider and the amounts and dates of interest accrued and paid by the provider;

(d) the investment agreement shall state that it is an unconditional and general obligation of the provider, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks *pari passu* with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

(e) the District and the Paying Agent shall receive an opinion of domestic counsel to the provider that such investment agreement is legal, valid, binding and enforceable against the provider in accordance with its terms;

(f) the District and the Paying Agent shall receive an opinion of foreign counsel to the provider (if applicable) that (i) the investment agreement has been duly authorized, executed and delivered by the provider and constitutes the legal, valid and binding obligation of the provider, enforceable against the provider in accordance with its terms, (ii) the choice of law of the state set forth in the investment agreement is valid under that country's laws and a court in such country would uphold such choice of law, and (iii) any judgment rendered by a court in the United States would be recognized and enforceable in such country;

(g) the investment agreement shall provide that if during its term:

(i) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3," respectively, the provider shall, at its option, within ten (10) days of receipt of publication of such downgrade, either (i) post Eligible Collateral (as defined below) with the District, the Paying Agent or a third party acting solely as agent therefor (the "Custodian") free and clear of any third party liens or claims, or (ii) assign the agreement to an Eligible Provider, or (iii) repay the principal of and accrued but unpaid interest on the investment;

(ii) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3," respectively, the provider must, at the direction of the District or the Paying Agent, within ten (10) days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the District or the Paying Agent.

(h) in the event the provider is required to collateralize, permitted collateral shall include U.S. Treasury Obligations, or senior debt obligations of GNMA, FNMA or FHLMC (no collateralized mortgage obligations shall be permitted for these providers) and

collateral levels must be one hundred two percent (102%) of the total principal when the collateral type is U.S. Treasury Obligations, one hundred three percent (103%) of the total principal when the collateral type is GNMA's, and one hundred four percent (104%) of the total principal when the collateral type is FNMA and FHLMC ("Eligible Collateral"). In addition, the collateral shall be marked to market on a daily basis and the provider or Custodian shall send monthly reports to the Paying Agent and the District setting forth the type of collateral, the collateral percentage required for that collateral type, the market value of the collateral on the valuation date and the name of the Custodian holding the collateral;

(i) the investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Custodian has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof;

(j) the investment agreement must provide that if during its term: (i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the District or the Paying Agent, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the District or the Paying Agent, as appropriate, and (ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the District or the Paying Agent, as appropriate.

11. The Sacramento County Pooled Investment Fund.

12. The Local Agency Investment Fund.

Mandatory Redemption Payment means, with respect to the Bonds of any Series and maturity, the amount required by this Paying Agent Agreement or a Supplemental Paying Agent Agreement hereto to be paid for the mandatory redemption or payment at maturity of Term Bonds of such Series and maturity.

Moody's means Moody's Investors Service, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

Opinion of Bond Counsel means a written opinion of a law firm experienced in matters relating to obligations the interest on which is excludable from gross income for federal income tax purposes, selected by the District.

Outstanding, when used as of any particular time with reference to Bonds, means all Bonds theretofore, or thereupon being, authenticated and delivered by the Paying Agent under this Paying Agent Agreement except (1) Bonds theretofore cancelled by the Paying Agent or surrendered to the Paying Agent for cancellation; (2) Bonds with respect to which all liability of

the District shall have been discharged in accordance with Section 6.2 (Discharge of Liability on Bonds), including Bonds (or portions of Bonds) referred to in Section 7.6 (Money Held for Particular Bonds); and (3) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Paying Agent pursuant to this Paying Agent Agreement.

Owner or Bondholder or Bondowner, whenever used herein with respect to a Bond, means the person in whose name such Bond is registered.

Paying Agent means Zions Bank, a division of ZB, National Association, as Paying Agent, or its successor as Paying Agent as provided in Section 10.9 (Removal and Resignation: Appointment of Successor).

Paying Agent Agreement means this Paying Agent Agreement, dated June 1, 2017, between the District and the Paying Agent, as originally executed or as it may from time to time be supplemented or amended by any Supplemental Paying Agent Agreement delivered pursuant to the provisions hereof.

Paying Agent Office means the office of the Paying Agent located at Zions Bank, a division of ZB, National Association, 550 South Hope Street, Suite 2875, Los Angeles, CA 90071, Attn.: Corporate Trust Department, or such other additional offices as may be designated by the Paying Agent.

Person means a corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

Project means the facilities to be funded by the District with Bond proceeds.

Rating Category means (i) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier and (ii) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

Rebate Fund means the fund by that name established pursuant to Section 7.3 (Rebate Fund).

Redemption Price means, with respect to any Bond (or portion thereof), the principal amount or Accreted Value of such Bond (or portion) plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond and this Paying Agent Agreement.

Regular Record Date for interest payable on any Interest Payment Date on the Bonds of any Series means the date specified in Section 3.1(D) of this Paying Agent Agreement for the Bonds or any Supplemental Paying Agent Agreement for any subsequent Series.

Responsible Officer means the president, any vice-president, any assistant vice-president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, or any other officer of the Paying Agent customarily performing functions similar to those performed by any of the above-designated officers and also means, with respect to a particular corporate trust matter, any other officer of the Paying Agent to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject and having direct responsibility for the administration of this Paying Agent Agreement.

[Security Documents mean the resolution, trust agreement ordinance, loan agreement, bond, note and/or any additional or supplemental document executed in connection with the Series 2017 Bonds.]

Serial Bonds means the Bonds, maturing in specified years, for which no mandatory redemption is provided.

Series, whenever used herein with respect to the Bonds, means all of the Bonds designated as being of the same series, authenticated and delivered in a simultaneous transaction, regardless of variations in maturity, interest rate, redemption, and other provisions, and any Bonds thereafter authenticated and delivered upon transfer or exchange or in lieu of or in substitution for (but not to refund) such Bonds as herein provided.

Series 2017 Bond or **Series 2017 Bonds** means the Galt Joint Union Elementary School District, General Obligation Bonds, Election of 2016, Series 2017 Bonds.

Special Record Date for the payment of any defaulted interest on Bonds of any Series means a date fixed by the Paying Agent pursuant to Section 2.7 (Payment of Interest on Bonds; Interest Rights Preserved).

Standard & Poor's or **S&P** means S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, and its successors and assigns, except that if such organization shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Standard & Poor's" or "S&P" shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

State means the State of California.

Supplemental Paying Agent Agreement means any agreement hereafter duly executed and delivered, supplementing, modifying, or amending this Paying Agent Agreement, but only if and to the extent that such Supplemental Paying Agent Agreement is specifically authorized hereunder.

Tax Certificate, with respect to a Series of Bonds, means the tax certificate delivered by the District at the time of the issuance and delivery of such Series of Bonds, as the same may be further amended or supplemented in accordance with its terms.

Tax Collection Fund means the interest and sinking fund of the District established pursuant to Education Code section 15251 (and also governed by Sections 15233 and 15234) at the request of the District.

Term Bonds means the Bonds subject to mandatory redemption, in part, at or before their specified maturity date or dates in amounts deemed necessary to retire such Bonds on or before their specified maturity date or dates.

Section 1.2. Equality of Security. In consideration of the acceptance of the Bonds by the Owners thereof from time to time, this Paying Agent Agreement shall be deemed to be and shall constitute a contract between the District and the Owners from time to time of the Bonds and the covenants and agreements herein set forth to be performed by or on behalf of the District or the Paying Agent shall be for the equal and proportionate benefit, security, and protection of all Owners of the Bonds, without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the Series, time of issue, sale, or negotiation thereof or for any cause whatsoever, except as expressly provided therein or herein. Nothing herein shall prevent additional security from being provided to particular Bonds under any Supplemental Paying Agent Agreement.

Section 1.3. Acts of Bondholders. Any request, consent, or other instrument required or permitted by this Paying Agent Agreement to be signed and executed by Bondholders may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bondholders in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent, or other instrument or of a writing appointing any such agent, or of the holding by any person of Bonds transferable by delivery, shall be sufficient for any purpose of this Paying Agent Agreement and shall be conclusive in favor of the Paying Agent and the District if made in the manner provided in this Section.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent, or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Paying Agent or the District in accordance therewith or reliance thereon.

Section 1.4. Notices to District and Paying Agent. Any notice to or demand upon the Paying Agent may be served or presented, and such demand may be made, at the Paying Agent's Office. Any notice to or demand upon the District shall be deemed to have been sufficiently given or served for all purposes by being deposited, first-class mail postage prepaid, in a post office letter box, addressed to the Galt Joint Union Elementary School District, 1018 C Street, Suite 210, Galt, California 95632, Attention: Director of Business Services/CBO (or such other address as may have been filed in writing by the District with the Paying Agent).

Section 1.5. Notices to Bondholders; Waiver. In any case where notice to Bondholders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Bondholder shall affect the sufficiency of such notice with respect to other Bondholders.

Where this Paying Agent Agreement provides for notice in any manner, such notice may be waived in writing by the person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Bondholders shall be filed with the District, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 1.6. Form and Content of Certificates and Opinions. Every certificate or opinion provided for in this Paying Agent Agreement with respect to compliance with any provision hereof shall include (1) a statement that the person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (3) a statement that, in the opinion of such person, he has made or caused to be made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; and (4) a statement as to whether, in the opinion of such person, such provision has been complied with.

Any such certificate or opinion made or given by an officer of the District may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel, an accountant, or an independent consultant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel, an accountant, or an independent consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the District) upon a certificate or opinion of or representation by an officer of the District, unless such counsel, accountant, or independent consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such person's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same officer of the District, or the same counsel, or accountant or independent consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Paying Agent Agreement, but different officers, counsel, accountants, or independent consultants may certify to different matters, respectively.

Section 1.7. Effect of Headings and Table of Contents. The headings or titles of the Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, or effect of this Paying Agent Agreement.

Section 1.8. Successors and Assigns. Whenever in this Paying Agent Agreement the District or the Paying Agent is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Paying Agent

Agreement contained by or on behalf of the District or the Paying Agent shall bind and inure to the benefit of the respective successors and assigns thereof, whether so expressed or not.

Section 1.9. Benefits of Paying Agent Agreement. Nothing in this Paying Agent Agreement or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the District, the Paying Agent, and the Owners of the Bonds, any legal or equitable right, remedy, or claim under or in respect of this Paying Agent Agreement or any covenant, condition, or provision therein or herein contained; and all such covenants, conditions, and provisions are and shall be held to be for the sole and exclusive benefit of the District, the Paying Agent, and the Owners of the Bonds.

Section 1.10. Payments/Actions Otherwise Scheduled on Non-Business Days. Except as specifically set forth in a Supplemental Paying Agent Agreement, any payments or transfers that would otherwise become due on any day that is not a Business Day shall become due or shall be made on the next succeeding Business Day. When any other action is provided for herein to be done on a day named or within a specified time period and the day named or the last day of the specified period falls on a day other than a Business Day, such action may be performed on the next succeeding Business Day with the same effect as though performed on the appointed day or within the specified period.

Section 1.11. No Personal Liability for Debt Service. No Board member, officer, agent, or employee of the District or the Paying Agent shall be individually or personally liable for the payment of the Bond Obligation or Redemption Price of or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such Board member, officer, agent, or employee of the District or the Paying Agent from the performance of any official duty provided by law or by this Paying Agent Agreement.

Section 1.12. Severability Clause. If any one or more of the provisions contained in this Paying Agent Agreement or in the Bonds shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Paying Agent Agreement and such invalidity, illegality, or unenforceability shall not affect any other provision of this Paying Agent Agreement, and this Paying Agent Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The District hereby declares that it would have adopted this Paying Agent Agreement and each and every other Section, paragraph, sentence, clause, or phrase hereof, and authorized the issuance of the Bonds pursuant thereto, irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Paying Agent Agreement may be held illegal, invalid, or unenforceable.

Section 1.13. Governing Law. This Paying Agent Agreement shall be construed and governed in accordance with the laws of the State.

Section 1.14. Execution in Counterparts. This Paying Agent Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

ARTICLE 2 THE BONDS

Section 2.1. Title; Issuable in Series; General Limitations. The general title of the Bonds of all Series shall be “Galt Joint Union Elementary School District, General Obligation Bonds, Election of 2016.” With respect to the Bonds of any particular Series, the District may incorporate into or add to the general title of such Bonds any words, letters, or figures designed to distinguish that Series.

The District may issue Bonds in Series hereunder, in book-entry form or otherwise, as from time to time authorized by the Board, subject to the covenants, provisions, and conditions contained in this Paying Agent Agreement.

The maximum principal amount of Bonds that the District may issue hereunder is not limited; subject, however, to any limitations contained in the Bond Law and to the right of the District, which is hereby reserved, to limit the aggregate principal amount of Bonds that may be issued or Outstanding hereunder.

Section 2.2. Terms of Particular Series. Each Series of Bonds, except the Series 2017 Bonds created by ARTICLE 3, shall be created by a Supplemental Paying Agent Agreement authorized by the Board and establishing the terms and provisions of such Series of Bonds and the form of the Bonds of such Series. The several Series of Bonds may differ from the Series 2017 Bonds and as between Series in any respect not in conflict with the provisions of this Paying Agent Agreement and as may be prescribed in the Supplemental Paying Agent Agreement creating such Series.

The District shall determine, at the time of issuance of each Series of Bonds, the terms thereof, including the interest rate or rates at which interest is borne by the Bonds of such Series or the manner in which the interest rate or rates are determined (not to exceed the maximum rate of interest permitted by law), the intervals at which interest on the Bonds of such Series shall be payable, the date or dates on which and the year or years in which the Bonds of such Series shall mature and become payable, and the manner in which Bond Obligation of and interest on the Bonds of such Series shall be payable.

Section 2.3. Forms and Denominations. The form of the Bonds of each Series shall be established by the provisions of this Paying Agent Agreement creating such Series. The Bonds of each Series shall be distinguished from the Bonds of other Series as may be determined by the officers of the District executing particular Bonds, as evidenced by their execution thereof.

The District may issue the Bonds of any Series (i) in such denominations as it specifies at the time of issuance thereof and (ii) in fully registered form without coupons or in fully registered book-entry form.

Section 2.4. Execution, Authentication, Delivery, and Dating. The Bonds issued by the District shall be executed by the President of the Board and countersigned by the Secretary of the Board. The signature of any of these officers on the Bonds may be facsimile or manual;

provided that one such signature or countersignature shall be manually affixed, unless the Bonds are authenticated by the Paying Agent. Unless otherwise provided in any Supplemental Paying Agent Agreement, the Bonds shall then be delivered to the Paying Agent for authentication by it.

In case any of the officers who shall have signed or countersigned any of the Bonds shall cease to be such officer or officers of the District before the Bonds so signed or countersigned shall have been authenticated, or delivered by the Paying Agent, or issued by the District, such Bonds may nevertheless be authenticated, delivered, and issued and, upon such authentication, delivery, and issue, shall be as binding upon the District as though those who signed and countersigned the same had continued to be such officers of the District. Any Bond may be signed and countersigned on behalf of the District by such persons as at the actual date of execution of such Bond shall be the proper officers of the District although at the nominal date of such Bond any such person shall not have been such officer of the District.

Except as may be provided in any Supplemental Paying Agent Agreement, no Bond shall be valid or obligatory for any purpose or entitled to the benefits of this Paying Agent Agreement unless there appears on such Bond a certificate of authentication substantially in the form provided for herein, manually executed by the Paying Agent. Such certificate of authentication when manually executed by the Paying Agent shall be conclusive evidence, and the only evidence when such authentication is required, that such Bond has been duly executed, authenticated, and delivered hereunder.

Section 2.5. Registration, Transfer, and Exchange. The Paying Agent will keep or cause to be kept, at the Paying Agent's Office, a register (herein sometimes referred to as the "Bond Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent shall provide for the registration and transfer of Bonds. The Bond Register shall at all times be open to inspection during the Paying Agent's normal business hours by the District.

Upon surrender of a Bond for transfer at the Paying Agent's Office, the District shall execute and, if required, the Paying Agent shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same Series, tenor, and maturity and for an equivalent aggregate principal amount or Accreted Value at maturity.

Bonds of any Series may be exchanged for an equivalent aggregate principal amount or Accreted Value at maturity of Bonds of other authorized denominations of the same Series, tenor, and maturity, upon surrender of the Bonds for exchange at the Paying Agent's Office. Upon surrender of Bonds for exchange, the District shall execute and, if required, the Paying Agent shall authenticate and deliver the Bonds that the Bondholder making the exchange is entitled to receive.

All Bonds surrendered upon any exchange or transfer provided for in this Paying Agent Agreement shall be promptly cancelled by the Paying Agent and thereafter disposed of as provided for in Section 2.9 (Cancellation).

All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the District, evidencing the same debt, and entitled to the same security and benefits under this Paying Agent Agreement, as the Bonds surrendered upon such transfer or exchange.

Every Bond presented or surrendered for transfer or exchange shall be accompanied by a written instrument of transfer, in a form satisfactory to the Paying Agent, that is duly executed by the Owner or by his attorney duly authorized in writing.

All fees and costs of any transfer or exchange of Bonds shall be paid by the Bondholder requesting such transfer or exchange.

The Paying Agent shall not be required to transfer or exchange (i) Bonds of any Series during the period established by the Paying Agent for the selection of Bonds of such Series for redemption; or (ii) any Bond that has been selected for redemption in whole or in part, except the unredeemed portion of such Bond selected for redemption in part, from and after the day that such Bond has been selected for redemption in whole or in part.

Section 2.6. Mutilated, Destroyed, Lost, or Stolen Bonds. If (i) any mutilated Bond is surrendered to the Paying Agent, or the District and the Paying Agent receive evidence to their satisfaction of the destruction, loss, or theft of any Bond; and (ii) there is delivered to the District and the Paying Agent such security or indemnity as may be required by them to save each of them harmless, then the District shall execute, and upon its request, the Paying Agent shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same Series of like tenor, maturity, and principal amount or Accreted Value at maturity, bearing a number not contemporaneously outstanding.

Upon the issuance of any new Bond under this Section, the District may require payment of a sum sufficient to pay the cost of preparing such Bond, any tax or other governmental charge that may be imposed in relation thereto, and any other expenses connected therewith.

Every new Bond issued pursuant to this Section in lieu of any destroyed, lost, or stolen Bond shall constitute an original additional contractual obligation of the District, whether or not the destroyed, lost, or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the security and benefits of this Paying Agent Agreement equally and ratably with all other Outstanding Bonds secured by this Paying Agent Agreement. Neither the District nor the Paying Agent shall be required to treat both the new Bond and the Bond it replaces as being Outstanding for the purpose of determining the principal amount of Bonds that may be issued hereunder, but both the new Bond and the Bond it replaces shall be treated as one and the same.

Section 2.7. Payment of Interest on Bonds; Interest Rights Preserved. Interest on any Bond that is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Owner thereof as of the close of business on the Regular Record Date for such interest specified in the provisions of this Paying Agent Agreement.

Any interest on any Bond that is payable but is not punctually paid or duly provided for on any Interest Payment Date shall forthwith cease to be payable to the Owner on the relevant Regular Record Date. Such defaulted interest shall be paid to the Person in whose name the Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the District. In the name and at the expense of the District, the Paying Agent shall cause notice of the payment of such defaulted interest and the Special Record

Date to be mailed, first-class postage prepaid, to each Owner of a Bond at his address as it appears in the Bond Register not fewer than ten (10) days prior to such Special Record Date.

Subject to the foregoing provisions of this Section, each Bond delivered under this Paying Agent Agreement upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, that were carried by such other Bond. Each such Bond shall bear interest from such date that neither loss nor gain in interest shall result from such transfer, exchange, or substitution.

Section 2.8. Persons Deemed Owners. The District and the Paying Agent shall be entitled to treat the person in whose name any Bond is registered as the Owner thereof for all purposes of the Paying Agent Agreement and any applicable laws, notwithstanding any notice to the contrary received by the Paying Agent or the District. The ownership of Bonds shall be proved by the Bond Register. The District may establish a record date as of which to measure consent of the Bondholders in order to determine whether the requisite consents are received.

Section 2.9. Cancellation. All Bonds surrendered for payment, redemption, transfer, or exchange, if surrendered to the Paying Agent, shall be promptly cancelled by the Paying Agent and, if surrendered to any person other than the Paying Agent, shall be delivered to the Paying Agent and, if not already cancelled, shall be promptly cancelled by the Paying Agent.

The District shall deliver to the Paying Agent for cancellation any Bonds acquired in any manner by the District, and the Paying Agent shall promptly cancel such Bonds.

No Bond shall be authenticated in lieu of or in exchange for any Bond cancelled as provided in this Section, except as expressly provided by this Paying Agent Agreement. The Paying Agent shall destroy all cancelled Bonds and deliver a certificate of such destruction to the District.

ARTICLE 3 TERMS AND ISSUE OF THE SERIES 2017 BONDS

Section 3.1. Terms and Form of Series 2017 Bonds.

(A) **Creation of the Series 2017 Bonds.** The District hereby creates the first Series of Bonds and designates them “Series 2017.” At any time after the execution and delivery of this Paying Agent Agreement, the District may execute and the Paying Agent shall authenticate and deliver the Series 2017 Bonds in an aggregate principal of \$[PAR AMOUNT], upon the Order of the District.

(B) **Form of Series 2017 Bonds.** The forms of the Series 2017 Bonds shall be substantially as set forth in **Exhibit A**, with such insertions, omissions, substitutions, and variations as may be determined by the officers executing the same, as evidenced by their execution thereof, to reflect the applicable terms of the Series 2017 Bonds established by this Article.

(C) Book-Entry Form, Denominations. The Series 2017 Bonds shall be issued as Current Interest Bonds, in fully registered form, in denominations of five thousand dollars (\$5,000) or any integral multiple thereof. The Series 2017 Bonds shall be initially issued registered in the name of “Cede & Co.,” as nominee of DTC. The Series 2017 Bonds shall be evidenced by one Series 2017 Bond maturing on each of the maturity dates as set forth below in this Section in a denomination corresponding to the total principal amount of the Series 2017 Bonds to mature on such date. Registered ownership of the Series 2017 Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 3.2 (Book-Entry Provisions). The Series 2017 Bonds shall bear such distinguishing numbers and letters as may be specified by the District.

(D) Date, Interest Accrual, Maturity Dates, Interest Rates. The Series 2017 Bonds shall be dated their date of delivery, shall bear interest from their date at the following rates per annum, and shall mature on August 1 in the following years in the following amounts:

Maturity Date (August 1)	Principal Amount \$	Interest Rate %
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*Term Bond

Interest on the Series 2017 Bonds shall be calculated on the basis of a 360-day year comprising twelve (12) thirty (30) day months. Each Series 2017 Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (i) it is authenticated as of a day during the period after the Regular Record Date to that Interest Payment Date, both dates inclusive, in which event it will bear interest from such Interest Payment Date; or (ii) unless it is authenticated on or before January 15, 2018, in which event it will bear interest from the date of delivery, provided, that if, at the time of authentication of any Series 2017 Bond, interest is in default thereon, such Series 2017 Bond will bear interest from

the Interest Payment Date to which interest has previously been paid or made available for payment. The Regular Record Date for the Series 2017 Bonds shall be the fifteenth (15th) day of the calendar month immediately preceding the relevant Interest Payment Date, whether or not such day is a Business Day.

(E) Principal and Interest Payments. The principal or Redemption Price of the Series 2017 Bonds shall be payable to the Owner thereof upon surrender thereof in lawful money of the United States of America at the Paying Agent's Office or, as provided in Section 3.2(E) (Book-Entry Provisions – Payments to Depository), by wire transfer on each principal and mandatory redemption payment date to "Cede & Co." or its registered assign, as sole registered Owner. Interest on the Series 2017 Bonds shall be payable on February 1, 2018, and thereafter semiannually on February 1 and August 1 of each year, by check mailed or, as provided in Section 3.2(E) (Book Entry Provisions – Payments to Depository) and upon the written request of any Owner of one million dollars (\$1,000,000) or more in aggregate principal amount of Series 2017 Bonds who has provided the Paying Agent with wire transfer instructions, by wire transfer on each Interest Payment Date to the Owner thereof to an account within the United States of America as of the close of business on the Regular Record Date.

(F) Cessation of Interest Accrual. Interest on any Series 2017 Bond shall cease to accrue (i) on the maturity date thereof, provided that there has been irrevocably deposited with the Paying Agent an amount sufficient to pay the principal amount thereof, plus interest accrued thereon to such date; or (ii) on the redemption date thereof, provided there has been irrevocably deposited with the Paying Agent an amount sufficient to pay the Redemption Price thereof, plus interest accrued thereon to such date. The Owner of such Series 2017 Bond shall not be entitled to any other payment, and such Series 2017 Bond shall no longer be Outstanding and entitled to the benefits of this Paying Agent Agreement, except for the payment of the principal amount or Redemption Price, as appropriate, of such Series 2017 Bonds and interest accrued thereon from moneys held by the Paying Agent for such payment.

Section 3.2. Book-Entry Provisions. Notwithstanding any provision of this Paying Agent Agreement to the contrary, the following provisions shall apply to the Bonds, including the Series 2017 Bonds:

(A) Limits on Transfer. The Series 2017 Bonds shall be initially issued as provided in Section 3.1 (Terms and Form of Series 2017 Bonds). Registered ownership of Bonds issued in book-entry form, or any portions thereof, may not thereafter be transferred except:

1. To any successor of DTC or its nominee, or to any substitute depository designated pursuant to clause (2) of this subsection (A) ("substitute depository"); provided that any successor of DTC or substitute depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

2. To any substitute depository upon (a) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (b) a determination by the District that DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided that any such

substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

3. To any person as provided below, upon (a) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository; provided that no substitute depository can be obtained, or (b) a determination by the District that it is in the best interests of the District to remove DTC or its successor (or any substitute depository or its successor) from its function as depository.

(B) Execution and Delivery of New Bonds. In the case of any transfer pursuant to clause (1) or clause (2) of Section 3.2(A) (Book-Entry Provisions – Limits on Transfer) hereof, upon receipt of all Outstanding Bonds of such Series of book-entry Bonds by the Paying Agent, together with a Certificate of the District to the Paying Agent specifying the successor or substitute depository or its nominee, a single new Bond for each maturity of such Series in the aggregate principal amount or Accreted Value of the Bonds of such maturity then Outstanding shall be executed and delivered, registered in the name of such successor or such substitute depository, or its nominee, as the case may be. In the case of any transfer pursuant to clause (3) of Section 3.2(A) (Book-Entry Provisions – Limits on Transfer) hereof, upon receipt of all Outstanding Bonds of such Series of book-entry Bonds by the Paying Agent together with a Certificate of the District to the Paying Agent, new Bonds of such Series shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such a Certificate of the District, subject to the limitations of Section 2.5 (Registration, Transfer, and Exchange) hereof; provided the Paying Agent shall not be required to deliver such new Bonds within a period less than sixty (60) days from the date of receipt of such a Certificate of the District.

(C) Notation of Reduction in Principal. In the case of partial redemption, cancellation or an advance refunding of any Bonds evidencing all or a portion of the Bond Obligation maturing in a particular year, DTC shall make an appropriate notation on the Bonds indicating the date and amounts of such reduction in Bond Obligation, in form acceptable to the Paying Agent. The Paying Agent shall not be liable for any failure or error of DTC to make such notations; the records of the Paying Agent shall be controlling with respect to the outstanding Bond Obligation of the Bonds.

(D) No Responsibility to Persons Other Than Owners. The District and the Paying Agent shall be entitled to treat the person in whose name any Bonds are registered as the Bondholder thereof for all purposes of the Paying Agent Agreement and any applicable laws, notwithstanding any notice to the contrary received by the Paying Agent or the District; and the District and the Paying Agent shall have no responsibility for transmitting payments to, communication with, notifying, or otherwise dealing with any beneficial owners of the Bonds. Neither the District nor the Paying Agent will have any responsibility or obligations, legal or otherwise, to the beneficial owners or to any other party including DTC or its successor (or substitute depository or its successor), except for the Owner of any Bonds.

(E) Payments to Depository. So long as all outstanding Bonds are registered in the name of “Cede & Co.” or its registered assign, the District and the Paying Agent shall cooperate with “Cede & Co.,” as sole registered Bondholder, and its registered assigns in effecting

payment of the principal or Accreted Value of and redemption premium, if any, and interest on the Bonds of such Series by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

Section 3.3. Redemption of Series 2017 Bonds.

(A) General. The Series 2017 Bonds shall be subject to redemption as provided in ARTICLE 5 (Redemption of Bonds).

(B) Optional Redemption. The Series 2017 Bonds maturing on and before August 1, 2026, are not subject to optional redemption prior to maturity. The Series 2017 Bonds maturing on or after August 1, 2027, are subject to redemption, at the option of the District, as a whole or in part among maturities on such basis as shall be designated by the District and by lot within each maturity, from any source of available funds, on any date on or after August 1, 2026, at a redemption price equal to the principal amount of the Series 2017 Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

(C) Mandatory Redemption. The Series 2017 Bonds maturing by their terms on August 1, 20__ (the “20__ Series 2017 Term Bond”) and August 1, 20__ (the “20__ Series 2017 Term Bond”), are subject to mandatory redemption by the District prior to their maturity in part, by lot, from Mandatory Redemption Payments in the following amounts and on the following dates, at the principal amount thereof on the date fixed for redemption without premium, but which amounts will be reduced by the principal amount of such 20__ Series 2017 Term Bond and 20__ Series 2017 Term Bond, optionally redeemed.

20__ Series 2017 Term Bond

**Mandatory Redemption Dates
(August 1)**

**Mandatory Sinking
Account Payment
\$**

*

* *Final maturity*

20__ Series 2017 Term Bond

**Mandatory Redemption Dates
(August 1)**

**Mandatory Sinking
Account Payment
\$**

*

* *Final maturity*

If any Series 2017 Term Bond is redeemed pursuant to Section 3.3(B) hereof, the District will provide to the Paying Agent revised schedules of Mandatory Redemption Payments.

Section 3.4. Application of Proceeds of Series 2017 Bonds. The proceeds of the sale of the Series 2017 Bonds (which consists of the par amount thereof of \$[PAR AMOUNT], plus the net original issue premium of \$_____, less the underwriter’s discount of \$_____), shall be deposited, and shall be held in trust, set aside, or transferred as follows:

(A) Building Fund. To the District for deposit and maintenance in the Building Fund \$_____;

(B) Tax Collection Fund. To the Director of Finance for deposit and maintenance in the Tax Collection Fund \$_____; and

(C) Costs of Issuance Fund. The Paying Agent shall deposit in the Costs of Issuance Fund the amount of \$_____ for purposes of paying Costs of Issuance.

The Paying Agent shall establish and maintain the Costs of Issuance Fund and pay amounts held therein upon the written order of the District, substantially in the form of **Exhibit B** attached hereto. The Paying Agent may rely conclusively on such Written Order of the District and shall have no duty to investigate or verify any statements made therein. Six months after [CLOSING DATE], or upon prior written Order of the District, the Paying Agent shall transfer any remaining amounts in the Costs of Issuance Fund to the Debt Service Fund of the District.

Section 3.5. Building Fund.

(A) Establishment and Application of the Building Fund. The District shall establish, maintain, and hold a separate fund designated as the “Galt Joint Union Elementary School District Building Fund,” which shall be kept separate and distinct from all other District and County funds, into which the District shall deposit proceeds from the sale of the Series 2017 Bonds (except any premium or account interest received from the sale). The District shall use the moneys in the Building Fund to pay the cost of the acquisition, construction, and completion of improvements described in the measure approved by the electors of the District, including (i) all necessary legal, financial, engineering, and contingent costs in connection therewith; and (ii) certain legal, accounting, and financing expenses incurred in connection with the issuance of the Series 2017 Bonds that are not otherwise paid by the Underwriter.

(B) Transfer of Remaining Balance. When all the purposes and objectives contained in the measure approved by the electors of the District shall have been accomplished, the District shall transfer the remaining balance in the Building Fund, less the amount of any specified claims that are subject to dispute and for which a retention in the Building Fund is to be maintained in the full amount of such claims until such dispute is resolved, to the Tax Collection Fund.

Section 3.6. Validity of Series 2017 Bonds. The recital in the Series 2017 Bonds that they are issued pursuant to the Constitution and statutes of the State shall be conclusive evidence of their validity and of compliance with provisions of law in their issuance.

Section 3.7. Security of the Series 2017 Bonds. The Series 2017 Bonds are general obligation bonds of the District, and the Board of Supervisors of the County and the Board of Supervisors of San Joaquin County have the power and are obligated to levy *ad valorem* taxes upon all property within the District subject to taxation without limitation of rate or amount for the payment of the Series 2017 Bonds, in accordance with and subject to Section 15250 and Section 15252 of the California Education Code.

The Series 2017 Bonds shall not constitute a debt of the County, San Joaquin County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents, or employees thereof, and neither the County, San Joaquin County, the State of California, any of its political subdivisions, nor any of the officers, agents, or employees thereof shall be liable thereon.

ARTICLE 4 ISSUANCE AND DELIVERY OF ADDITIONAL SERIES OF BONDS

Section 4.1. Issuance of Additional Series of Bonds. The District may establish one or more additional Series of Bonds hereunder, and the District may issue, and the Paying Agent may authenticate and deliver to the purchasers thereof, Bonds of any Series so established, in such principal amount as shall be determined by the District, upon compliance by the District with the provisions of Section 4.2 (Proceedings for Issuance of Additional Series of Bonds) and any additional requirements set forth in the related Supplemental Paying Agent Agreement and subject to the following specific conditions:

(A) No Default. No Event of Default shall have occurred and then be continuing.

(B) Amount Authorized. The aggregate principal amount of Bonds issued hereunder shall not exceed the amount authorized pursuant to the Bond Law and by the electors of the District and shall not exceed any other limitation imposed by law or by any Supplemental Paying Agent Agreement.

(C) Payment Dates. If and to the extent deemed practical in the reasonable judgment of the District with regard to the type of Bond to be issued, the payments of principal or Accreted Value of such additional Series of Bonds shall be due on August 1 in each year in which principal is to be paid and, if the interest on such Series of Bonds is to be paid semiannually, such interest payments shall be due on February 1 and August 1 in each year, as appropriate.

Nothing in this Section or in this Paying Agent Agreement contained shall prevent or be construed to prevent the Supplemental Paying Agent Agreement from providing for the issuance of an additional Series of Bonds from pledging or otherwise providing, in addition to the security given or intended to be given by this Paying Agent Agreement, additional security for the benefit of such additional Series of Bonds or any portion thereof.

Section 4.2. Proceedings for Issuance of Additional Series of Bonds.

(A) Supplemental Paying Agent Agreement. Whenever the District shall determine to issue a Series of Bonds pursuant to Section 4.1 (Issuance of Additional Series of Bonds), the District shall authorize the execution of a Supplemental Paying Agent Agreement specifying the principal amount and prescribing the forms of Bonds of such additional Series and providing the terms, conditions, distinctive designation, denominations, methods of numbering, date, maturity date or dates, interest rate or rates (or the manner of determining the same), redemption provisions, and place or places of payment of the Bond Obligation or Redemption Price of and interest on such Bonds, and any other provisions respecting the Bonds of such Series not inconsistent with the terms of this Paying Agent Agreement.

(B) Documentation Required. Before such additional Series of Bonds shall be issued and delivered, the District shall file the following documents with the Paying Agent (upon which documents the Paying Agent may conclusively rely in determining whether the conditions precedent to the issuance of such Series of Bonds have been satisfied):

(1) Supplemental Paying Agent Agreement. An executed copy of the Supplemental Paying Agent Agreement authorizing such Series.

(2) No Default Certificate. A Certificate of the District stating that no Event of Default has occurred and is then continuing.

(3) Opinion. An Opinion of Bond Counsel to the effect that the execution of the Supplemental Paying Agent Agreement has been duly authorized by the District in accordance with this Paying Agent Agreement; that such Series, when duly executed by the District and authenticated if required, and delivered by the Paying Agent, will be valid and binding general obligations of the District; and that upon the delivery of such Series the aggregate principal amount of Bonds then Outstanding will not exceed the amount permitted by law or by this Paying Agent Agreement.

(4) Principal Amount Certificate. A Certificate of the District stating that the requirement of Section 4.1(B) has been satisfied.

Section 4.3. Application of Proceeds of Additional Bonds. Proceeds of each Series of Bonds shall be applied as specified in the Supplemental Paying Agent Agreement pursuant to which such Series of Bonds is created.

ARTICLE 5 REDEMPTION OF BONDS

Section 5.1. General Applicability of Article. Bonds of any Series that are redeemable before their respective stated maturities shall be redeemable in accordance with their terms and (except as otherwise provided herein with respect to the Bonds of any particular Series by the provisions of the Supplemental Paying Agent Agreement creating such Series) in accordance with this Article.

Section 5.2. Notice to Paying Agent. In the case of any redemption at the election of the District of less than all the Outstanding Bonds of any Series, the District shall, at least forty-

five (45) days prior to the date fixed for redemption (unless a shorter notice shall be satisfactory to the Paying Agent) notify the Paying Agent in writing of such redemption date and of the principal amount or Accreted Value of Bonds and maturity date of such Series to be redeemed.

Section 5.3. Selection by Paying Agent of Bonds to Be Redeemed. If less than all the Outstanding Bonds of any maturity are to be redeemed, not more than 60 days prior to the redemption date, the Paying Agent shall select the particular Bonds to be redeemed from the Outstanding Bonds of such maturity that have not previously been called for redemption, in minimum amounts of \$5,000 (Bond Obligation at maturity), by lot in any manner that the Paying Agent in its sole discretion shall deem appropriate and fair. For purposes of such selection, each \$5,000 amount of Bond Obligation at maturity shall be deemed to be a separate Bond.

With respect to any maturity of Bonds less than all of which maturity will be redeemed, the Paying Agent shall promptly notify the District in writing of the Bonds so selected for redemption and, in the case of a Bond selected for partial redemption, the principal amount or Accreted Value thereof to be redeemed.

For all purposes of this Paying Agent Agreement, unless the context otherwise requires, all provisions relating to the redemption of Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal or Accreted Value of such Bond that has been or is to be redeemed.

Section 5.4. Notice of Redemption.

(A) **Mailed Notice.** The Paying Agent shall mail notice of redemption not fewer than thirty (30) nor more than sixty (60) days prior to the redemption date by first-class mail, postage prepaid, to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Bond Register and shall file such notice on the same day with the Municipal Securities Rulemaking Board (MSRB) through its EMMA website.

(B) **Content of Notice.** Each notice of redemption shall state (a) the date of such notice; (b) the Series designation of the Bonds; (c) the date of issue of the Series of Bonds; (d) the redemption date; (e) the Redemption Price; (f) the place or places of redemption (including the name and appropriate address or addresses of the Paying Agent); (g) the CUSIP number (if any) of the maturity or maturities; and (h) if less than all of any such maturity, the distinctive certificate numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the Bond Obligation thereof to be redeemed. Each notice of redemption shall either (a) explicitly state that the proposed redemption is conditioned on there being on deposit on the redemption date sufficient money to pay in full the Redemption Price of the Bonds or portions thereof to be redeemed; or (b) be sent only if sufficient money to pay in full the Redemption Price of the Bonds or portions thereof to be redeemed is on deposit. Each such notice shall also (a) state that on said date there will become due and payable on each of said Bonds the Redemption Price thereof or of said specified portion of the Bond Obligation thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption; (b) state that from and after such redemption date interest thereon shall cease to accrue; and (c) require that such Bonds be then surrendered at the address or addresses of the Paying Agent specified in the

redemption notice. Neither the District nor the Paying Agent shall have any responsibility for any defect in the CUSIP number that appears on any Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the District nor the Paying Agent shall be liable for any inaccuracy in such numbers.

(C) Defects in Notice or Procedure. Failure by the Paying Agent to file notice with MSRB or failure of any Owner to receive notice of any defect in any such notice shall not affect the sufficiency of the proceedings for redemption. Failure by the Paying Agent to mail or otherwise deliver notice to any one or more of the respective Owners of any Bonds designated for redemption shall not affect the sufficiency of the proceedings for redemption with respect to the Owner or Owners to whom such notice was mailed or delivered.

Section 5.5. Deposit of Redemption Price. Prior to any redemption date, the District shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the Bonds that are to be redeemed on that date. Such money shall be held for the benefit of the persons entitled to such Redemption Price.

Section 5.6. Bonds Payable on Redemption Date. Notice of redemption having been duly given as aforesaid and moneys for payment of the Redemption Price of the Bonds so to be redeemed being held by the Paying Agent, on the redemption date designated in such notice (i) the Bonds so to be redeemed shall become due and payable at the Redemption Price specified in such notice; (ii) interest on such Bonds shall cease to accrue; (iii) such Bonds shall cease to be entitled to any benefit or security under this Paying Agent Agreement; and (iv) the Owners of such Bonds shall have no rights in respect thereof except to receive payment of said Redemption Price. Upon surrender of any such Bond for redemption in accordance with said notice, such Bond shall be paid by the Paying Agent at the Redemption Price. Installments of interest due on or prior to the redemption date shall be payable to the Owners of the Bonds on the relevant Record Dates according to the terms of such Bonds and the provisions of Section 2.7 (Payment of Interest on Bonds; Interest Rights Preserved).

Section 5.7. Bonds Redeemed in Part. Upon surrender of any Bond redeemed in part only, the District shall execute and the Paying Agent shall authenticate, if required, and deliver to the Owner thereof, at the expense of the District, a new Bond or Bonds of the same Series of authorized denominations, and of the same maturity, equal in aggregate Bond Obligation to the unredeemed portion of the Bond surrendered.

Section 5.8. Right to Rescind Notice. The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption monies are not available in the Debt Service Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Bond of notice of such rescission shall not be a

condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission

ARTICLE 6 DEFEASANCE

Section 6.1. Discharge of Paying Agent Agreement.

(A) Payment of Bonds. Bonds may be paid by the District in any of the following ways:

(1) by paying or causing to be paid the Bond Obligation of and interest on such Bonds, as and when the same become due and payable;

(2) by depositing with the Paying Agent, an escrow agent or other fiduciary, at or before maturity, money or securities in the necessary amount (as provided in Section 6.3 (Deposit of Money or Securities with Paying Agent)) to pay or redeem such Bonds; or

(3) by delivering such Bonds to the Paying Agent for cancellation by it.

(B) Consequences of Payment of All Bonds. If the District shall pay all Bonds Outstanding and also pay or cause to be paid all other sums payable hereunder by the District, then and in that case, at the election of the District, evidenced by a Certificate of the District filed with the Paying Agent signifying the intention of the District to discharge all such indebtedness and this Paying Agent Agreement, and notwithstanding that any Bonds shall not have been surrendered for payment, this Paying Agent Agreement, the pledge of assets made hereunder, all covenants and agreements and other obligations of the District under this Paying Agent Agreement, and the rights and interests created hereby (except as to any surviving rights of transfer or exchange of Bonds as provided in Section 2.5 (Registration, Transfer, and Exchange)) and rights to payment from moneys deposited with the Paying Agent as provided in Section 6.2 (Discharge of Liability on Bonds)) shall cease, terminate, become void, and be completely discharged and satisfied. Notwithstanding the satisfaction and discharge of this Paying Agent Agreement, the obligations to the Paying Agent under Section 10.7 (Compensation and Indemnification of Paying Agent) and the covenants of the District to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes contained in Section 8.6 (Federal Income Tax Covenants) shall survive.

(C) Actions Upon Discharge. In such event, the Paying Agent shall pay over to the District all moneys or securities or other property held by it pursuant to this Paying Agent Agreement that, as evidenced by a verification report (upon which the Paying Agent may conclusively rely) from a certified public accountant or firm of such accountant, are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

(D) Notice of Defeasance. If moneys or Defeasance Securities are deposited with and held by the Paying Agent, an escrow agent or other fiduciary as hereinabove provided, the Paying Agent shall within thirty (30) days after such money and Defeasance Securities shall have been deposited with it mail a notice prepared by the District, first class postage prepaid, to

the Owners at the addresses listed on the registration books kept by the Paying Agent pursuant to Section 2.5 (Registration, Transfer, and Exchange), (a) setting forth the maturity or date fixed for prepayment, as the case may be, of the Bonds, (b) giving a description of the Defeasance Securities, if any, so held by it, and (c) stating that this Paying Agent Agreement has been released in accordance with the provisions of this Section.

Section 6.2. Discharge of Liability on Bonds. Upon the deposit with the Paying Agent, escrow agent, or other fiduciary, at or before maturity, of money or securities in the necessary amount (as provided in Section 6.3 (Deposit of Money or Securities with Paying Agent)) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as in Article 5 provided or provision satisfactory to the Paying Agent shall have been made for the giving of such notice, then all liability of the District in respect of such Bond shall cease, terminate, and be completely discharged, except that thereafter (i) the Owner thereof shall be entitled to payment of the Bond Obligation or Redemption Price of and interest on such Bond by the District and the District shall remain liable for such payment, but only out of such money or securities deposited with the Paying Agent, escrow agent, or other fiduciary as aforesaid for their payment, subject, however, to the provisions of Section 6.4 (Moneys Unclaimed after Bonds Are Due and Payable); and (ii) the Owner thereof shall retain its rights of transfer or exchange of Bonds as provided in Section 2.5 (Registration, Transfer, and Exchange).

The District may at any time surrender to the Paying Agent for cancellation by it any Bonds previously issued and delivered, which the District may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Section 6.3. Deposit of Money or Securities with Paying Agent. Whenever in this Paying Agent Agreement it is provided or permitted that there be deposited with or held in trust by the Paying Agent, an escrow agent or other fiduciary money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Paying Agent in the funds and accounts established pursuant to this Paying Agent Agreement and shall be:

(A) Lawful money of the United States of America in an amount equal to the Bond Obligation of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds that are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as in Article 5 provided or provision satisfactory to the Paying Agent shall have been made for the giving of such notice, the amount to be deposited or held shall be the Bond Obligation or Redemption Price of such Bonds and all unpaid interest thereon to the redemption date; or

(B) Defeasance Securities the principal of and interest on which when due will, in the opinion of an independent certified public accountant delivered to the Paying Agent (upon which opinion the Paying Agent may conclusively rely), provide money sufficient to pay the Bond Obligation or Redemption Price, premium, if any, and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such Bond

Obligation or Redemption Price and interest become due, provided that, in the case of Bonds that are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in ARTICLE 5 (Redemption of Bonds) provided or provision satisfactory to the Paying Agent shall have been made for the giving of such notice; provided, in each case, that the Paying Agent shall have been irrevocably instructed (by the terms of this Paying Agent Agreement or by Request of the District) to apply such money to the payment of such Bond Obligation or Redemption Price and interest with respect to such Bonds.

Section 6.4. Moneys Unclaimed after Bonds Are Due and Payable.

(A) Earnings on Moneys Unclaimed after Bonds Are Due and Payable. All moneys held by or on behalf of the Paying Agent for the payment of principal or Accreted Value of or interest or premium on Bonds, whether at redemption or maturity, shall be held for the account of the Owners thereof and the Paying Agent shall not be required to pay Owners any interest on, or be liable to the Owners or any other person for any interest earned on, moneys so held.

(B) Return of Unclaimed Funds to District. Subject to applicable escheatment laws, any moneys held by the Paying Agent for the payment of the Bond Obligation or Redemption Price of, premium, if any, or interest on, any Bonds and remaining unclaimed for three (3) years after the date when such Bonds have become due and payable (whether at maturity or upon call for redemption as provided in this Paying Agent Agreement), if such moneys were so held at such date, or three (3) years after the date of deposit of such moneys if deposited after the date when such Bonds became due and payable, shall be repaid to the District. Thereafter, Owners shall look solely to the District for the payment of such funds and the Paying Agent shall have no further liability for such funds.

**ARTICLE 7
TAX LEVY AND COLLECTION; USE OF FUNDS**

Section 7.1. Levy of Taxes; Tax Collection Fund.

(A) Levy of Taxes. The California Education Code directs the Board of Supervisors of the County and the Board of Supervisors of San Joaquin County to levy and collect a tax on all the taxable property in the District sufficient to pay the Bond Obligation of and interest on the Bonds as it becomes due (and such part of the Bond Obligation and interest as may have become due before the proceeds of a tax levied at the next subsequent general tax levy will be available) and the District has requested the tax also include an amount to pay the annual fees and expenses of the Paying Agent. The District has directed the Board of Supervisors of the County and the Board of Supervisors of San Joaquin County to levy the tax annually at the time of making each general tax levy and to levy and collect the tax as other *ad valorem* taxes are levied. The District shall use the taxes collected only for payment of the Bond Obligation of and interest on the Bonds when due and the fees and expenses of the Paying Agent as provided in this Paying Agent Agreement.

(B) Tax Collection Fund. The District has requested the County to establish the Tax Collection Fund and maintain it separate and distinct from all other District and County funds and has directed the Director of Finance to deposit therein the taxes levied and collected by the

County pursuant to Education Code section 15250. All moneys at any time held in the Tax Collection Fund shall be held for the benefit of the Owners of the Bonds and shall be disbursed, allocated, and applied solely for the payment of the Bond Obligation of and interest on the Bonds when and as the same fall due, except for amounts collected for the payment of the Paying Agent's fees and expenses, which shall be paid to the Paying Agent in accordance with the agreement entered into between the District and the Paying Agent. When this Paying Agent Agreement shall have been discharged in accordance with Section 6.1 (Discharge of Paying Agent Agreement) hereof, any balance of money then remaining in the Tax Collection Fund shall be transferred (upon order of the County Auditor following request by the District) to the general fund of the District.

Section 7.2. Payment of Debt Service.

(A) Application of Funds to Pay Debt Service. At least thirty (30) days prior to each Interest Payment Date, the Paying Agent shall deliver to the District and the Director of Finance an invoice stating the aggregate amount of interest and principal becoming due and payable on any Outstanding Bonds on such Interest Payment Date. The District shall direct the Director of Finance to transfer, at least one (1) Business Day prior to each Interest Payment Date, from the Tax Collection Fund to the Paying Agent the amount stated in such invoice for deposit into the funds maintained by the Paying Agent and designated herein as the "Debt Service Fund." Such amount shall be sufficient to pay the aggregate amount of interest and Bond Obligation becoming due and payable on any Outstanding Bonds on the next succeeding Interest Payment Date. Failure of the Paying Agent to deliver such invoice shall not affect the District's obligation to pay debt service. The Paying Agent shall keep such funds separate and distinct from all other District and County funds. All sums to become due for the Bond Obligation of and interest on the Bonds shall be paid from the Debt Service Funds. When this Paying Agent Agreement shall have been discharged in accordance with Section 6.1 (Discharge of Paying Agent Agreement) hereof, the Paying Agent shall transfer any money held by it hereunder to the District for deposit into the general fund of the District.

(B) Application of Funds in Event of Insufficiency. If, on any Interest Payment Date, the amounts held by the Paying Agent are not sufficient to pay in full the Bond Obligation or Redemption Price of and interest on all Bonds payable on such date, the Paying Agent shall apply all amounts then held or thereafter received by the Paying Agent under any of the provisions of this Paying Agent Agreement (except as otherwise provided in this Paying Agent Agreement) to the payment to the persons entitled thereto of all installments of interest then due and the unpaid Bond Obligation or Redemption Price of any Bonds that shall have become due, whether at maturity or by call for redemption, in the order of their due dates, with interest on the overdue Bond Obligation at the rate borne by the respective Bonds, such payments to be made ratably, according to the amounts of Bond Obligation or interest due on such date to the persons entitled thereto, without any discrimination or preference.

Section 7.3. Rebate Fund. The District shall establish and maintain a fund designated as the "Rebate Fund," if the District determines that such a fund would be convenient for purposes of rebate accounting. If established, the Rebate Fund shall be maintained separate from any other fund. The District shall deposit moneys into and disburse moneys from the Rebate

Fund or make payments of rebate directly to the United States Treasury at the times required by the terms of the Tax Certificate.

Section 7.4. Investment of Moneys in Funds and Accounts. Moneys in any of the funds and accounts established pursuant to this Paying Agent Agreement shall be invested, as directed by the District, solely in Investment Securities or held uninvested in cash. All Investment Securities shall be acquired subject to the limitations set forth in Section 8.6 (Federal Income Tax Covenants).

All interest, profits, and other income received from the investment of moneys in any fund or account shall be retained therein.

The Paying Agent shall not invest any cash held by it hereunder in the absence of timely and specific written direction from the District.

The Paying Agent shall keep proper books of record and accounts containing complete and correct entries of all transactions relating to the receipt, disbursement, allocation and application of the moneys payable to the Owners.

Section 7.5. Funds and Accounts. Any fund required by this Paying Agent Agreement to be established and maintained by the Paying Agent may be established and maintained in the accounting records of the Paying Agent either as a fund or an account and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds shall at all times be maintained in accordance with customary standards of the corporate trust industry to the extent practicable, and with due regard for the protection of the security of the Bonds and the rights of every Owner thereof. The Paying Agent may establish additional funds or accounts for accounting purposes.

Section 7.6. Money Held for Particular Bonds. The money held by the Paying Agent for the payment of the interest, Bond Obligation, or Redemption Price due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 6.4 (Moneys Unclaimed after Bonds Are Due and Payable).

ARTICLE 8 COVENANTS OF THE DISTRICT

Section 8.1. Power to Issue Bonds. The District is duly authorized pursuant to the Bond Law to issue the Bonds. The Bonds and the provisions of this Paying Agent Agreement are and will be the valid and binding obligations of the District in accordance with their terms.

Section 8.2. Punctual Payment. The District will punctually pay or cause to be paid the Bond Obligation or Redemption Price of, premium, if any, and interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of this Paying Agent Agreement, according to the true intent and meaning thereof.

Section 8.3. Extension of Payment of Bonds. The District will not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any or claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Paying Agent Agreement, except subject to the prior payment in full of the Bond Obligation of all of the Bonds then Outstanding and of all claims for interest thereon that shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the District to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Section 8.4. Preservation of Rights of Owners. The District and the Paying Agent shall at all times, to the extent permitted by law, defend, preserve, and protect the pledge of taxes and other assets and all the rights of the Bondholders under this Paying Agent Agreement against all claims and demands of all persons whomsoever.

Section 8.5. Waiver of Laws. The District will not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Paying Agent Agreement or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the District to the extent permitted by law.

Section 8.6. Federal Income Tax Covenants. The District shall at all times do and perform all acts and things permitted by law and this Paying Agent Agreement that are necessary and desirable in order to assure that interest paid on the Bonds will be excludable from gross income for federal income tax purposes and shall take no action that would result in such interest not being so excludable; provided that, prior to the issuance of any Series of Bonds, the District may exclude the application of the covenants contained in this Section to such Series of Bonds. Without limiting the generality of the foregoing, the District agrees to comply with the provisions of the Tax Certificate. This covenant shall survive the defeasance or payment in full of the Bonds.

Section 8.7. Further Assurances. The District will make, execute, and deliver any and all such instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Paying Agent Agreement, and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in this Paying Agent Agreement.

Section 8.8. Continuing Disclosure. The District hereby covenants that it will comply with and carry out all the provisions of the Continuing Disclosure Certificate.

ARTICLE 9
EVENTS OF DEFAULT AND REMEDIES OF BONDHOLDERS

Section 9.1. Events of Default. The following events shall be Events of Default:

(A) default in the due and punctual payment of the Bond Obligation or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by mandatory redemption, by proceedings for optional redemption, or otherwise;

(B) default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;

(C) failure by the District to observe or perform any covenant, condition, agreement or provision in this Paying Agent Agreement on its part to be observed or performed, other than as referred to in subsection (A) or (B) of this Section, for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, has been given to the District by an Owner; except that, if such failure can be remedied but not within such sixty (60) day period and if the District has taken all action reasonably possible to remedy such failure within such sixty (60) day period, such failure shall not become an Event of Default for so long as the District shall diligently proceed to remedy same in accordance with and subject to any directions or limitations of time established by a majority of the Owners; and

(D) if the District shall file a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, seeking reorganization of the District under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief of aid of debtors, any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property.

Section 9.2. Remedies of Owners. Upon the occurrence and continuance of an Event of Default, any Owner shall have the right for the equal benefit and protection of all Owners similarly situated

(A) by mandamus or other action, suit, or proceeding at law or in equity to enforce the Owners' rights against the Board or the District or any of the officers or employees of the District, and to compel the Board or the District or any such officers or employees to perform and carry out their duties under the Bond Law and the agreements and covenants with the Owners contained herein;

(B) by suit in equity to enjoin any acts or things that are unlawful or violate the rights of the Owners; or

(C) by suit in equity upon the nonpayment of the Bonds to require the Board or the District or its officers and employees to account as the trustee of an express trust.

Section 9.3. Restoration of Positions. In case any proceedings taken by any one or more Bondholders on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Bondholders, then in every such case the District and the Owners, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers, and duties of the District, the County, and the Bondholders shall continue as though no such proceedings had been taken.

Section 9.4. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Owners of the Bonds is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right or remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 9.5. Delay or Omission Not Waiver. No delay or omission of any Owner of the Bonds to exercise any right or remedy accruing upon an Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Paying Agent Agreement or by law to the Owners of the Bonds may be exercised from time to time, and as often as may be deemed expedient, by the Owners.

Section 9.6. No Acceleration. The Owners of the Bonds have no right to declare the principal of the Bonds immediately due and payable.

ARTICLE 10 THE PAYING AGENT

Section 10.1. Appointment of Paying Agent. Zions Bank, a division of ZB, National Association is hereby appointed as paying agent, bond registrar, and authenticating agent for the Bonds under this Paying Agent Agreement, and hereby accepts the appointment as Paying Agent hereunder, and agrees to perform all the functions and duties of the Paying Agent hereunder, subject to the terms and conditions set forth in this Paying Agent Agreement.

Section 10.2. Certain Duties and Responsibilities.

(A) **Duties Limited to Those Specified.** The Paying Agent undertakes to perform such duties and only such duties as are specifically set forth in this Paying Agent Agreement and no implied covenants shall be read into this Paying Agent Agreement against the Paying Agent;

(B) **Reliance on Documents.** In the absence of bad faith on its part, the Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates, statements, requests, requisitions, orders, or opinions furnished to the Paying Agent and conforming to the requirements of this Paying Agent Agreement; but in the case of any such certificates or opinions that by any provision hereof are

specifically required to be furnished to the Paying Agent, the Paying Agent shall be under a duty to examine the same to determine whether or not they conform on their face to the requirements of the Paying Agent Agreement.

(C) Immunities of Paying Agent. No provision of this Paying Agent Agreement shall be construed to relieve the Paying Agent from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(1) this subsection shall not be construed to limit the effect of subsection (A) of this Section;

(2) the Paying Agent shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Paying Agent was negligent in ascertaining the pertinent facts;

(3) the Paying Agent shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method, and place of conducting any proceeding for any remedy available to the Paying Agent or of exercising any trust or power conferred upon the Paying Agent under this Paying Agent Agreement; and

(4) no provision of this Paying Agent Agreement shall require the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not reasonably assured to it.

(D) Immunities Applicable to All Provisions of Paying Agent Agreement. Whether or not herein expressly so provided, every provision of this Paying Agent Agreement relating to the conduct or affecting the liability of or affording protection to the Paying Agent shall be subject to the provisions of this ARTICLE 10.

Section 10.3. Notice of Defaults. Within ninety (90) days after the occurrence of any default hereunder, the Paying Agent shall transmit by mail to all Owners of Bonds as their names and addresses appear on the Bond Register notice of such default hereunder actually known to a Responsible Officer of the Paying Agent, unless such default shall have been cured or waived; provided, however, that in the case of any default of the character specified in Section 9.1(C) no such notice to Bondholders shall be given until at least thirty (30) days after the occurrence thereof. For purposes of this Section, the term “default” means any event that is, or after notice or lapse of time or both would become, an Event of Default. The Paying Agent shall not be deemed to have knowledge of any default or Event of Default hereunder unless and until it shall have actual knowledge thereof, or shall have received written notice thereof, at the Paying Agent’s Office. As used herein, the term “actual knowledge” means the actual fact or statement of knowing, without any duty to make any investigation with regard thereto.

Section 10.4. Certain Rights of Paying Agent; Liability of Paying Agent. Except as otherwise provided in Section 10.2 (Certain Duties and Responsibilities):

(A) Reliance on Documents Believed Genuine. The Paying Agent may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, requisition, consent, order, bond, note, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(B) Documentation of District's Directions. Any request or direction of the District mentioned herein shall be sufficiently evidenced by a Certificate, Statement, Request, Requisition, or Order of the District;

(C) Reliance on District Certificate. Whenever in the fulfillment of the obligations imposed upon it by this Paying Agent Agreement the Paying Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action hereunder, the Paying Agent (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a Certificate of the District, but in its discretion the Paying Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable;

(D) Reliance on Advice of Counsel. The Paying Agent may consult with counsel, including, without limitation, counsel of or to the District, and the advice or opinion of such counsel or any Opinion of Bond Counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted by the Paying Agent hereunder in good faith and in reliance thereon;

(E) Investigation of Factual Matters. The Paying Agent shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, or other paper or document but the Paying Agent, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Paying Agent shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the District, personally or by agent or attorney;

(F) Performance of Duties by Agents. The Paying Agent may perform the duties required of it hereunder by or through attorneys, agents, or receivers and shall be entitled to advice of counsel concerning all matters of its duty hereunder, but the Paying Agent shall be answerable for the negligence or misconduct of any such attorney-in-fact, agent, or receiver selected by it; provided that the Paying Agent shall not be answerable for the negligence or misconduct of any attorney-at-law or certified public accountant selected by it with due care;

(G) Electronic Instructions and Directions. The Paying Agent agrees to accept and act upon instructions or directions pursuant to this Paying Agent Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods; provided, however, that the District shall provide to the Paying Agent an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the District elects to give the Paying Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Paying Agent in

its discretion elects to act upon such instructions, the Paying Agent's understanding of such instructions shall be deemed controlling. The Paying Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Paying Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The District agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Paying Agent, including, without limitation, the risk of the Paying Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(H) Force Majeure. The Paying Agent shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Paying Agent and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

Section 10.5. Paying Agent Not Responsible for Recitals or Issuance of Bonds or Application of Proceeds.

(A) Paying Agent Makes No Representations. The recitals of facts herein and in the Bonds contained therein shall be taken as statements of the District, and the Paying Agent assumes no responsibility for the correctness of the same (other than the certificate of authentication of the Paying Agent on each Bond). The Paying Agent makes no representations as to the validity or sufficiency of this Paying Agent Agreement or of the Bonds, as to the sufficiency of the taxes or the priority of the lien of this Paying Agent Agreement thereon, or as to the financial or technical feasibility of any project financed by the Bonds and shall not incur any responsibility in respect of any such matter, other than in connection with the duties or obligations expressly herein or in the Bonds assigned to or imposed upon it.

(B) Paying Agent Not Responsible for Application of Certain Moneys. The Paying Agent shall not be responsible for:

(1) the application or handling by the District of any moneys transferred to or pursuant to any Requisition or Request of the District in accordance with the terms and conditions hereof;

(2) the application and handling by the District or the Director of Finance of any fund or account designated to be held by the District or the Director of Finance hereunder; and

(3) the construction, operation, or maintenance of any facilities by the District.

Section 10.6. Paying Agent May Hold Bonds. The Paying Agent and its directors, officers, employees or agents may in good faith buy, sell, own, hold, and deal in any of the Bonds, and may join in any action which any Owner of a Bond may be entitled to take, with like effect as if the Paying Agent was not the Paying Agent under this Paying Agent Agreement. The Paying Agent may in good faith hold any other form of indebtedness of the District, own, accept,

or negotiate any drafts, bills of exchange, acceptances, or obligations of the District, and make disbursements for the District, and enter into any commercial or business arrangement therewith, without limitation.

Section 10.7. Compensation and Indemnification of Paying Agent. The District agrees:

(A) **Compensation.** To pay to the Paying Agent from time to time compensation for all services rendered by it hereunder in accordance with the terms of a fee agreement to be entered into with the Paying Agent;

(B) **Reimbursement.** To reimburse the Paying Agent upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Paying Agent in accordance with any provision of this Paying Agent Agreement (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement, or advance as may be attributable to the Paying Agent's negligence or bad faith; and

(C) **Indemnification.** To indemnify the Paying Agent and its officers, directors, agents, and employees for, and to hold it and them harmless against, any loss, liability, claim, judgment, cost or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the obligations created hereby, including the costs and expenses (including reasonable attorneys' fees and expenses) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

The rights of the Paying Agent and the obligations of the District under this Section 10.7 (**Compensation and Indemnification of Paying Agent**) shall survive the discharge of the Bonds and this Paying Agent Agreement and the earlier removal or resignation of the Paying Agent.

Section 10.8. Paying Agent Required; Eligibility. There shall at all times be a Paying Agent hereunder, which shall be either a trust company or bank having the powers of a trust company having a corporate trust office in the State, having a combined capital and surplus of at least ten million dollars (\$10,000,000), and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority, then for the purpose of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Paying Agent shall cease to be eligible in accordance with the provisions of this Section, the Paying Agent shall resign immediately in the manner and with the effect specified in this Article.

Section 10.9. Removal and Resignation; Appointment of Successor.

(A) **Effectiveness of Resignation or Removal.** No removal or resignation of the Paying Agent and appointment of a successor Paying Agent pursuant to this Article shall

become effective until the acceptance of appointment by the successor Paying Agent under Section 10.10 (Acceptance of Appointment by Successor).

(B) Paying Agent's Right to Resign. The Paying Agent may resign at any time by giving written notice of such resignation to the District and by giving the Bondholders notice of such resignation by mail at the addresses shown on the Bond Register. If an instrument of acceptance by a successor Paying Agent shall not have been delivered to the Paying Agent within thirty (30) days after the giving of such notice of resignation, the resigning Paying Agent may appoint or petition any court of competent jurisdiction for the appointment of a successor Paying Agent, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Paying Agent.

(C) District's Right to Remove Paying Agent. The District may remove the Paying Agent at any time, unless an Event of Default shall have occurred and then be continuing, by giving written notice of such removal to the Paying Agent.

(D) Removal of Paying Agent at the Request of Owners. The District shall remove the Paying Agent if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate Bond Obligation of the Bonds then Outstanding (or their attorneys duly authorized in writing), by giving written notice of such removal to the Paying Agent.

(E) Mandatory Removal of Paying Agent. The District shall remove the Paying Agent if at any time:

(1) the Paying Agent shall cease to be eligible in accordance with Section 10.8 (Paying Agent Required; Eligibility) and shall fail to resign after written request therefor by the District, or

(2) the Paying Agent shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Paying Agent or of its property shall be appointed or any public officer shall take control or charge of the Paying Agent or of its property or affairs for the purpose of rehabilitation, conservation, or liquidation;

in each case by giving written notice of such removal to the Paying Agent.

(F) Appointment of Successor. If the Paying Agent shall resign, be removed, or become incapable of acting, or if a vacancy shall occur in the office of the Paying Agent for any cause, the District shall promptly appoint a successor Paying Agent by an instrument in writing. If no successor Paying Agent shall have been so appointed by the District and accepted appointment in the manner hereinafter provided within thirty (30) days after such resignation, removal, or incapability or the occurrence of such vacancy, the then-current Paying Agent or the Bondholders, by an instrument or instruments signed by the Owners of a majority in aggregate amount of Bond Obligation of the Bonds, may appoint a successor Paying Agent, or any Bondholder (on behalf of himself and all other Bondholders), or the then-current Paying Agent may petition any court of competent jurisdiction for the appointment of a successor Paying

Agent, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Paying Agent.

(G) Notice of Removal or Resignation. The District shall give notice of each resignation and each removal of the Paying Agent and each appointment of a successor Paying Agent by mailing written notice of such event by first-class mail, postage prepaid, to the Owners as their names and addresses appear in the Bond Register. Each notice shall include the name of the successor Paying Agent and the address of its principal office. If the District fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Paying Agent, the successor Paying Agent shall cause such notice to be mailed at the expense of the District.

Section 10.10. Acceptance of Appointment by Successor. Any successor Paying Agent appointed under this Paying Agent Agreement shall execute and deliver to the District and to its predecessor Paying Agent an instrument accepting such appointment, and thereupon such successor Paying Agent, without any further act, deed, or conveyance, shall become vested with all the moneys, rights, powers, and duties of the predecessor Paying Agent; but, at the Request of the District or the request of the successor Paying Agent, the predecessor Paying Agent shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to the successor Paying Agent all the right, title, and interest of such predecessor Paying Agent in and to any property held by it under this Paying Agent Agreement and shall duly assign, transfer, and deliver to the successor Paying Agent all property and money held by the predecessor Paying Agent hereunder. Upon request of any successor Paying Agent, the District shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Paying Agent all such moneys, properties, rights, powers, and duties.

Section 10.11. Merger or Consolidation. Any company into which the Paying Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion, or consolidation to which it shall be a party or any company to which the Paying Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under Section 10.8 (Paying Agent Required: Eligibility), shall be the successor to such Paying Agent without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding. In case any Bonds shall have been authenticated, but not delivered, by the Paying Agent then in office, any successor by merger, conversion, or consolidation to such authenticating Paying Agent may adopt such authentication and deliver the Bonds so authenticated with the same effect as if such successor Paying Agent had itself authenticated such Bonds.

Section 10.12. Preservation and Inspection of Documents. All documents received by the Paying Agent under the provisions of this Paying Agent Agreement shall be retained in its possession and shall be subject to the inspection of the District and any Owner, and their agents and representatives duly authorized in writing, at reasonable times during the Paying Agent's normal business hours and under reasonable conditions.

Section 10.13. Accounting Records. The Paying Agent will at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with generally accepted

accounting principles, in which complete and accurate entries shall be made of all transactions relating to the Bonds. Such books of record and account shall be available for inspection by the District at reasonable times during the Paying Agent's normal business hours and under reasonable circumstances.

ARTICLE 11
MODIFICATION OR AMENDMENT OF THIS PAYING AGENT AGREEMENT

Section 11.1. Supplemental Paying Agent Agreements without Consent of Bondholders. This Paying Agent Agreement and the rights and obligations of the District, of the Paying Agent, and of the Owners of the Bonds may be modified or amended from time to time and at any time by a Supplemental Paying Agent Agreement, which the District may adopt without the consent of any Bondholders but only with the consent of the Paying Agent and only to the extent permitted by law and only for any one (1) or more of the following purposes:

(A) Additional Security: to add to the covenants and agreements of the District contained in this Paying Agent Agreement other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the District;

(B) Curative Provisions: to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Paying Agent Agreement, or in regard to matters or questions arising under this Paying Agent Agreement, or to make any other revisions or additions as the District may deem necessary or desirable, and that shall not materially and adversely affect the interests of the Owners of the Bonds;

(C) Additional Series: to create any Series of Bonds (other than the Series 2017 Bonds);

(D) Book-Entry System: to amend, modify, or eliminate the book-entry registration system for the Bonds or any Series of the Bonds;

(E) Notice of Redemption: to modify or add to the procedures providing for the notice in the event of redemption of the Bonds in order to comply with regulations promulgated by the United States Securities and Exchange Commission;

(F) Credit Enhancement: to make modifications or adjustments necessary, appropriate, or desirable to accommodate credit enhancements including letters of credit, insurance policies, and surety bonds;

(G) Preservation of Tax Exemption: to make such provisions as are necessary or appropriate to maintain the exclusion of interest on a Series of Bonds from gross income for purposes of federal income taxation; and

(H) No Material Effect: for any other purpose that does not materially and adversely affect the interests of the Owners of the Bonds.

With respect to amendments under this Section 11.1 executed without the consent of Owners of the Bonds, the Paying Agent shall be fully protected, and shall incur no liability, in executing such Supplemental Paying Agent Agreement solely in reliance on the Opinion of Bond Counsel received by it under Section 11.3 hereof.

Section 11.2. Supplemental Paying Agent Agreements with Consent of Bondholders.

(A) Majority Consent. This Paying Agent Agreement and the rights and obligations of the District, the Owners of the Bonds, and the Paying Agent may be modified or amended from time to time and at any time by a Supplemental Paying Agent Agreement, which the District may enter into with the written consent of the Paying Agent and when the consent of the Owners of a majority in aggregate Bond Obligation of the Bonds (or, if such Supplemental Paying Agent Agreement is only applicable to a Series of Bonds, such Series of Bonds) then Outstanding shall have been filed with the District; provided that, if such modification or amendment will, by its terms, not take effect so long as any Bonds of any particular maturity remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Bonds Outstanding under this Section.

(B) Credit Provider's Consent. This Paying Agent Agreement and the rights and obligations of the District, the Owners, and the Paying Agent may also be modified or amended at any time by, a Supplemental Paying Agent Agreement entered into by the District, with the written consent of the Paying Agent, which shall become binding when the written consents of each provider of a letter of credit or a policy of bond insurance for the Bonds shall have been filed with the District, provided that at such time the payment of all the Bond Obligation of and interest on all Outstanding Bonds shall be insured by a policy or policies of municipal bond insurance or payable under a letter of credit the provider of which shall be a financial institution or association having unsecured debt obligations rated, or insuring or securing other debt obligations rated on the basis of such insurance or letters of credit, in one of the two highest Rating Categories of each rating agency then rating the Bonds.

(C) Limitations on Amendments. No such modification or amendment shall (1) extend the fixed maturity of any Bond, or reduce the amount of Bond Obligation thereof, or extend the time of payment or reduce the amount of any mandatory redemption provided for any Bond, or reduce the rate of interest thereon, or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Owner of each Bond so affected, or (2) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the taxes and other amounts pledged under this Paying Agent Agreement prior to or on a parity with the lien created by this Paying Agent Agreement, or deprive the Owners of the Bonds of the lien created by this Paying Agent Agreement on such taxes and other amounts (in each case, except as expressly provided in this Paying Agent Agreement), without the consent of the Owners of all of the Bonds then Outstanding.

(D) Manner of Consent. It shall not be necessary for the consent of the Bondholders to approve the particular form of any Supplemental Paying Agent Agreement, but it shall be sufficient if such consent shall approve the substance thereof.

(E) Certification of Consent. When the consent of Bondholders or credit providers is required under this Section for the execution of a Supplemental Paying Agent Agreement, the District shall provide to the Paying Agent a Certificate of the District certifying that the necessary consents have been filed with the District. The Paying Agent may conclusively rely on such Certificate and shall have no liability for relying upon it.

(F) Notice of Amendments. Promptly after the execution of any Supplemental Paying Agent Agreement pursuant to this Section, the Paying Agent shall mail a notice, setting forth in general terms the substance of such Supplemental Paying Agent Agreement to the Owners of the Bonds at the addresses shown on the Bond Register. Any failure to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Paying Agent Agreement.

Section 11.3. Execution of Supplemental Paying Agent Agreements. In executing any Supplemental Paying Agent Agreement permitted by this Article or the modification thereby of the obligations created by this Paying Agent Agreement, the Paying Agent shall be entitled to receive, and, subject to Section 10.2 (Certain Duties and Responsibilities), shall be fully protected in relying upon, an Opinion of Bond Counsel stating that the execution of such Supplemental Paying Agent Agreement is authorized or permitted by this Paying Agent Agreement. The Paying Agent may, but shall not be obligated to, enter into or consent to any such Supplemental Paying Agent Agreement that affects the Paying Agent's own rights, duties, or immunities under this Paying Agent Agreement or otherwise.

Section 11.4. Effect of Supplemental Paying Agent Agreement. From and after the time any Supplemental Paying Agent Agreement becomes effective pursuant to this Article, this Paying Agent Agreement shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Paying Agent Agreement of the District, the Paying Agent, and all Owners of Bonds Outstanding shall thereafter be determined, exercised, and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Paying Agent Agreement shall be deemed to be part of the terms and conditions of this Paying Agent Agreement for any and all purposes.

Section 11.5. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after any Supplemental Paying Agent Agreement becomes effective pursuant to this Article may, and if the District so determines shall, bear a notation by endorsement or otherwise in form approved by the District as to any modification or amendment provided for in such Supplemental Paying Agent Agreement, and, in that case, upon demand of the Owner of any Bond Outstanding at the time of such execution and presentation of his Bond for such purpose at the Paying Agent's Office or at such additional offices as the Paying Agent may select and designate for that purpose, a suitable notation shall be made on such Bond. If the Supplemental Paying Agent Agreement shall so provide, new Bonds so modified as to conform, in the opinion of the District, to any modification or amendment contained in such Supplemental Paying Agent Agreement,

shall be prepared and executed by the District and, if required, authenticated by the Paying Agent and, upon demand of the Owners of any Bonds then Outstanding and upon surrender for cancellation of such Bonds, shall be exchanged at the Paying Agent's Office, without cost to any Bondholder, for Bonds then Outstanding in equal aggregate principal amounts or Accreted Value at maturity of the same Series and maturity.

Section 11.6. Amendment of Particular Bonds. The provisions of this Article shall not prevent any Bondholder from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

ARTICLE 12
[BOND INSURANCE POLICY FOR SERIES 2017 BONDS]

The provisions of this ARTICLE 12, and its sections individually, shall govern and control, notwithstanding anything to the contrary as set forth this Paying Agent Agreement, or individually in this Paying Agent Agreement's sections. Moreover, the provisions of this ARTICLE 12 shall not be amended or supplemented without the prior written consent of the Insurer.]

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Paying Agent Agreement by their officers thereunto duly authorized as of the day and year first written above.

**GALT JOINT UNION ELEMENTARY
SCHOOL DISTRICT**

By: _____
Superintendent

**ZIONS BANK, a division of ZB, National
Association,**
as Paying Agent

By: _____
Authorized Officer

EXHIBIT A

FORM OF SERIES 2017 GENERAL OBLIGATION BONDS

REGISTERED
NO. R-__

REGISTERED
\$ _____

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 2016, SERIES 2017**

MATURITY DATE	INTEREST RATE PER ANNUM	DATE	CUSIP NO.
August 1, 20__	_____ %	[CLOSING DATE]	364116

REGISTERED OWNER: CEDE & COMPANY

PRINCIPAL SUM: _____ DOLLARS

Galt Joint Union Elementary School District, a school district duly organized and existing under and pursuant to the Constitution and laws of the State of California (the "District"), for value received, hereby acknowledges itself indebted to and promises to pay to the registered owner named above or registered assigns, on the maturity date specified above, the principal sum specified above, to an account within the United States, together with interest thereon from the date hereof until the principal hereof shall have been paid, at the interest rate per annum specified above, payable semi-annually on February 1 and August 1 in each year until maturity, commencing February 1, 2018. Interest hereon is payable in lawful money of the United States of America by check mailed or, upon the written request of any Owner of one million dollars (\$1,000,000) or more in aggregate principal amount of Bonds who has provided the Paying Agent (identified below), with wire transfer instructions for an account within the United States, by wire transfer on each interest payment date, to the registered owner as of the close of business on the fifteenth day of the calendar month immediately preceding such interest payment date. The principal hereof and premium, if any, hereon are payable at the office of the Zions Bank, a division of ZB, National Association, as paying agent (together with any successor as paying agent under the hereinafter mentioned Paying Agent Agreement (the "Paying Agent") in Los Angeles, California, or such office as may be designated by the Paying Agent, in lawful money of the United States of America. Notwithstanding the foregoing, so long as this bond is registered in the name of Cede & Co., both principal of and interest on this bond shall be payable by wire transfer to the registered owned.

This bond is issued under the authority of and pursuant to the Constitution and statutes of the State of California, proceedings of the District and, Sacramento County and San Joaquin County (together, the "Counties") duly adopted and taken, a vote and assent of more than 55% of

all the qualified electors of the District voting at a special election duly called and held for that purpose on November 8, 2016 (collectively, the “Bond Law”), which authorized the issuance of up to \$19,700,000 principal amount of bonds, and pursuant to a Paying Agent Agreement dated June 1, 2017, between the District and the Paying Agent providing for the issuance of the bonds so authorized (said Paying Agent Agreement, as amended and supplemented from time to time, the “Paying Agent Agreement”).

This bond is one of the issue of bonds of the District so authorized and designated “Galt Joint Union Elementary School District, General Obligation Bonds, Election of 2016” (the “Bonds”), all of like tenor (except for such variations, if any, as may be required to designate varying series, denominations, numbers, maturities, interest rates, interest payment provisions, redemption provisions, and forms). This bond is also one of a duly authorized series of the Bonds additionally designated “Series 2017” (the “Series 2017 Bonds”) issued in the aggregate principal amount of \$[PAR AMOUNT]. The Series 2017 Bonds are issued pursuant to the provisions of the California Education Code sections 15264 *et seq.*

The Bonds are secured by the levy of *ad valorem* property taxes on all taxable property in the territory of the District, which taxes are unlimited as to rate and amount (except with respect to certain personal property that is taxable at limited rates). The Bonds, including interest and redemption premium thereon, do not constitute a debt or liability of the State, the Counties, or any other political subdivision of the State other than the District.

Reference is hereby made to the Paying Agent Agreement and to the Bond Law for a description of the terms on which the Bonds are issued and to be issued and the rights of the registered owners of the Bonds. All the terms of the Paying Agent Agreement and the Bond Law are hereby incorporated herein and constitute a contract between the District and the registered owner from time to time of this Bond. The registered owner of this Bond, by its acceptance hereof, consents and agrees to all the provisions of the Paying Agent Agreement. Additional bonds may be issued on a parity with the Bonds of this authorized issue, but only subject to the conditions and limitations contained in the Paying Agent Agreement.

The Series 2017 Bonds maturing on and before August 1, 2026, are not subject to optional redemption prior to maturity. The Bonds maturing on or after August 1, 2027, are subject to redemption, at the option of the District, as a whole or in part among maturities on such basis as shall be designated by the District and by lot within each maturity, from any source of available funds, on any date on or after August 1, 2026, at a redemption price equal to the principal amount of the Series 2017 Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

The Term Bond maturing on August 1, 20__, is subject to mandatory sinking fund redemption in part by lot on August 1 of each year, in accordance with the schedule set forth below. The 20__ Term Bond so called for mandatory sinking fund redemption shall be redeemed at the principal amount of such 20__ Term Bond to be redeemed, plus accrued but unpaid interest, without premium.

**Mandatory Redemption Dates
(August 1)**

**Mandatory Sinking
Account Payment**
\$

*

* *Final maturity*

The Term Bond maturing on August 1, 20__, is subject to mandatory sinking fund redemption in part by lot on August 1 of each year, in accordance with the schedule set forth below. The 20__ Term Bond so called for mandatory sinking fund redemption shall be redeemed at the principal amount of such 20__ Term Bond to be redeemed, plus accrued but unpaid interest, without premium.

**Mandatory Redemption Dates
(August 1)**

**Mandatory Sinking
Account Payment**
\$

*

* *Final maturity*

This bond is transferable or exchangeable for other Series 2017 Bonds of authorized denominations by the registered owner hereof, in person or by its attorney duly authorized in writing, at the designated corporate trust office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Paying Agent Agreement, and upon surrender and cancellation of this bond. Upon such transfer a new fully registered bond or bonds without coupons, of authorized denomination or denomination, of the same series, tenor, and maturity for the same aggregate value at maturity will be issued to the transferee in exchange herefor.

Unless this bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Paying Agent or its agent for registration of transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC) ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

The District and the Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof for all purposes, and the District and the Paying Agent shall not be affected by any notice to the contrary.

The rights and obligations of the District and of the registered owners of the Bonds may be modified or amended at any time in the manner, to the extent, and upon terms provided in the Paying Agent Agreement, which provides, in certain circumstances, for modifications and amendments without the consent of or notice to the registered owners of Bonds.

It is hereby certified and recited that any and all acts, conditions, and things required to exist, to happen, and to be performed, precedent to and in the incurring of the indebtedness evidenced by this bond, and in the issuing of this bond, do exist, have happened, and have been performed in due time, form, and manner, as required by the Constitution and statutes of the State of California; that the total amount of indebtedness of the District, including the amount of this bond, does not exceed any limit prescribed by the Constitution and the statutes of the State of California; and that this bond is not in excess of the amount of Bonds permitted to be issued under the Paying Agent Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Board of Education of the Galt Joint Union Elementary School District has caused this Series 2017 Bond to be signed by its President and countersigned by its Secretary.

By: _____
President of the Board of Education of
the Galt Joint Union Elementary
School District

Countersigned:

By: _____
Secretary of the Board of Education of
the Galt Joint Union Elementary
School District

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2017 Bonds described in the within-mentioned Paying Agent Agreement, which has been authenticated on the date set forth below.

Dated: [CLOSING DATE]

ZIONS BANK, a division of ZB, National Association,
as Paying Agent

By: _____
Authorized Officer

ASSIGNMENT

For value received _____ hereby sell, assign and transfer unto _____ the within Bond and hereby irrevocably constitute and appoint _____ attorney, to transfer the same on the bond register of the District, with full power of substitution in the premises.

Dated: _____

NOTE: The signature to this Assignment must correspond with the name on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed by:

NOTE: Signature must be guaranteed by an eligible guarantor institution (being banks, stock brokers, savings and loan associations, and credit unions with membership in and approved signature guarantee medallion programs) pursuant to Securities and Exchange Commission Rule 17A(d)15.

Social Security Number, Tax Identification Number, or other identifying number of Assignee:

LEGAL OPINION

The following is a true copy of the opinion rendered by Parker & Covert LLP, in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

Secretary of the Board of Education of the
Galt Joint Union Elementary School District

PARKER & COVERT LLP
Attorneys at Law
2520 Venture Oaks Way, Suite 190
Sacramento, California 95833

[CLOSING DATE]

Board of Education
Galt Joint Union Elementary School District
1018 C Street, Suite 210
Galt, California 95632

Re: \$[PAR AMOUNT]
 Galt Joint Union Elementary School District
 General Obligation Bonds
 Election of 2016, Series 2017
 Final Opinion of Bond Counsel

Members of the Board of Education:

We have acted as bond counsel in connection with the issuance by the Galt Joint Union Elementary School District (the "District") of \$[PAR AMOUNT] principal amount of Galt Joint Union Elementary School District, General Obligation Bonds, Election of 2016, Series 2017 (the "Bonds"). In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been duly authorized and executed by the District and are valid and binding general obligations of the District.

2. All taxable property in the territory of the District is subject to *ad valorem* taxation without limitation regarding rate or amount (except certain personal property that is taxable at limited rates) to pay the Bonds. Sacramento County and San Joaquin County are required by law to include in their annual tax levies the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.

3. Interest on the Bonds is excludable from gross income for federal tax purposes and is not an item of tax preference for purposes of the federal 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 opinions set forth in the preceding sentence are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal tax purposes retroactively to the date of issuance of the Bonds.

4. Interest on the Bonds is exempt from State of California personal income taxation.

The rights of the owners of the Bonds and the enforceability thereof are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

PARKER & COVERT LLP

[STATEMENT OF INSURANCE]

EXHIBIT B

FORM OF REQUISITION TO PAYING AGENT

**§[PAR AMOUNT]
GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 2016, SERIES 2017**

**REQUISITION TO PAYING AGENT TO DISBURSE FUNDS
FROM THE COSTS OF ISSUANCE FUND**

REQUISITION NO. 1

The Galt Joint Union Elementary School District (the “District”) hereby directs Zions Bank, a division of ZB, National Association, as paying agent (the “Paying Agent”), under the Paying Agent Agreement dated June 1, 2017, by and between the District and the Paying Agent, to pay from the Costs of Issuance Fund established pursuant to Section 3.4(C) (Application of Proceeds of Series 2017 Bonds – Costs of Issuance Fund) of the Paying Agent Agreement, the amounts to the parties as set forth on the attached schedule.

The District hereby certifies that obligations in the amounts stated in Schedule I have been incurred by the District and are presently due and payable, and that each item is a proper charge against the Costs of Issuance Fund and has not been previously paid from that fund.

Attached to Schedule I are invoices for each payment requested.

Dated: _____, 2017 **GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT**

By: _____
Authorized Signatory

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT

SCHEDULE I

[Please see attached invoices for delivery and/or wire instructions]

<i>Item</i>	<i>Payee</i>	<i>Purpose</i>	<i>Amount</i>
1.			\$
2.			
3.			
4.			
5.			
6.			
7.			
<i>Total</i>			

§[PAR AMOUNT]
**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 2016, SERIES 2017**
BOND PURCHASE AGREEMENT

[SALE DATE]

Board of Education
Galt Joint Union Elementary School District
1018 C Street, Suite 210
Galt, California 95632

Ladies and Gentlemen:

The undersigned authorized officer of [UNDERWRITER] (the “Underwriter”) hereby offers to enter into this Bond Purchase Agreement with the Galt Joint Union Elementary School District (the “District”), which, upon acceptance of this offer by the District, will be binding upon the District and the Underwriter. This offer is made subject to the written acceptance of this Bond Purchase Agreement by execution by the District, and the delivery of such acceptance to the Underwriter at or prior to 5:00 p.m., Pacific Time, on the date hereof; and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the District at any time prior to the acceptance hereof by the District.

1. Definitions. All capitalized terms not defined herein shall have the meaning ascribed to them in the Preliminary Official Statement, dated [POS DATE], of the District with respect to the public offering of the Bonds, unless a different meaning clearly appears from the context, and the following words and terms shall have the following meanings, respectively:

Bonds means the Galt Joint Union Elementary School District, General Obligation Bonds, Election of 2016, Series 2017, issued pursuant to the Paying Agent Agreement.

Bond Purchase Agreement means this Bond Purchase Agreement.

Business Day means a day on which banks located in California are not required or authorized by law to be closed and the New York Stock Exchange is not closed.

Closing Date means the date of payment for and delivery of the Bonds as established pursuant to Section 6 (Closing) hereof.

Closing Time means the time at which payment for and delivery of the Bonds shall occur, as established pursuant to Section 6 (Closing) hereof.

Continuing Disclosure Certificate means that certain Continuing Disclosure Certificate dated as of the Closing Date executed by the District.

County means the Sacramento County, California.

District Documents means the Paying Agent Agreement, this Bond Purchase Agreement, and the Continuing Disclosure Certificate.

Good Faith Deposit means the amount of \$100,000 wired to and deposited with the Paying Agent before or within two Business Days of [SALE DATE], for the purchase of the Bonds as established pursuant to Section 13 (Good Faith Deposit) hereof.

[Insurance Policy means the financial guaranty bond insurance policy issued by the Insurer and delivered simultaneously with the issuance and delivery of the Bonds, which will insure payment of the principal of and interest on the Bonds.

Insurer means [INSURER].]

Official Statement means the final Official Statement of the District, dated the date hereof, relating to the Bonds, together with the cover page thereof and all appendices, exhibits, amendments and supplements thereto, provided by the District.

Paying Agent means Zions Bank, a division of ZB, National Association.

Paying Agent Agreement means that certain Paying Agent Agreement, entered into between the District and the Paying Agent, dated May 1, 2017, as amended and supplemented from time to time.

Preliminary Official Statement means the Preliminary Official Statement of the District, dated [POS DATE], relating to the Bonds, together with the cover page thereof and all appendices, exhibits, amendments, and supplements thereto provided by the District.

Resolution means the Resolution No. __, adopted on April 26, 2017 by the District's Board of Education.

State means the State of California.

Treasurer means the Assistant Treasurer of Sacramento County.

2. Purchase, Sale, and Delivery of the Bonds.

(a) Purchase and Sale of the Bonds. Upon the terms and conditions and in reliance upon the representations, warranties, and agreements set forth herein, the Underwriter hereby agrees to purchase from the District for offering to the public, and the District hereby agrees to execute and deliver to or upon the order of the Underwriter all (but not less than all) of the Bonds, duly authenticated by the Paying Agent, dated their date of delivery, in the aggregate principal amount of \$[PAR AMOUNT]. The Bonds shall bear interest at the rates, shall mature in the years, and shall be subject to redemption as shown on **Exhibit A** hereto, which is incorporated herein by this reference. The purchase price to be paid by the Underwriter for the Bonds shall be \$ _____ (which is equal to the principal amount of the Bonds of \$[PAR AMOUNT]), plus \$ _____ original issue premium, less an underwriter's discount of

\$_____ [(out of which the amount of \$_____ will be wired to the Insurer)]. A portion of the purchase price will be used to pay costs of issuance. Payment for the Bonds shall be made in federal funds or through wire transfer of federal funds payable to the Paying Agent for the account of the District. The Bonds shall be released by the District to the Underwriter through the Depository Trust Company (“DTC”) no later than the Closing Time.

(b) Delivery of the Bonds. The Bonds shall be released for delivery by the District to the Underwriter, and the Underwriter will accept delivery of the Bonds, through DTC in accordance with the terms of its Fast Automated Securities Transfer (“FAST”) program, no later than the Closing Time. The Bonds are to be initially registered in the name of Cede & Co., as nominee for DTC. The Bonds will be in such authorized denominations as DTC and the Underwriter shall require, as described in the Official Statement. CUSIP identification numbers will be printed on the Bonds.

3. Terms of the Bonds. The Bonds shall be substantially in the form described in, shall be issued and secured pursuant to, shall be dated and be payable as provided in, and shall be subject to redemption as provided in the Paying Agent Agreement. [Payment of the principal of and interest on the Bonds shall be insured by the Insurance Policy.]

4. Official Statement.

(a) Preliminary Official Statement. The District confirms that the Preliminary Official Statement was deemed final for purposes of Rule 15c2-12 adopted under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), as of its date, except for final information as to the offering prices, interest rates, selling compensation, amount of proceeds, delivery dates, other terms of the Bonds depending on such factors, and other information permitted to be omitted under Rule 15c2-12.

(b) Final Official Statement. The District agrees to deliver to the Underwriter copies of the final Official Statement, which includes the information omitted from the Preliminary Official Statement in accordance with Rule 15c2-12, and any supplements or amendments thereto as have been approved by the Underwriter. The District agrees to deliver such Official Statements within seven (7) business days after the execution hereof (or earlier if necessary to accompany any confirmation that requires payment from any customer).

(c) End of the Underwriting Period. The Underwriter shall give notice to the District on the date after which no participating underwriter, as such term is defined in Rule 15c2-12, remains obligated to deliver final Official Statements pursuant to paragraph (b)(4) of Rule 15c2-12.

(d) Amendments or Supplements to Official Statement. If at any time prior to the receipt of notice from the Underwriter pursuant to Section 4(c) (End of the Underwriting Period) hereof that final Official Statements are no longer required to be delivered under Rule 15c2-12, any event occurs as a result of which it may be necessary to supplement the Official Statement in order to make the statements therein relating to the District, in light of the circumstances existing at such time, not misleading, the District shall forthwith notify the Underwriter in writing of any such event of which it has knowledge and, if in the opinion of the

Underwriter such event requires an amendment or supplement to the Official Statement, the District will at its expense amend or supplement the Official Statement in a form and manner approved by the Underwriter. Any information supplied by the District for inclusion in any amendments or supplements to the Official Statement will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

5. Public Offering of the Bonds. The Underwriter agrees to make a *bona fide* public offering of all the Bonds at the initial public offering prices or yields to be set forth on the cover or inside cover page of the Official Statement and at **Exhibit A** attached hereto and made a part hereof. Subsequent to such initial public offering, the Underwriter reserves the right to change such offering prices or yields, as the Underwriter deems necessary, in connection with the marketing of the Bonds, without any requirement of prior notice. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the public offering prices stated in the Official Statement.

The District acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the District and the Underwriter, (ii) in connection with such transaction, the Underwriter has not assumed a fiduciary responsibility in favor of the District with respect to (x) the offering of the Bonds or the process leading thereto (whether or not the Underwriter has advised or is currently advising the District on other matters) or (y) any other obligation to the District except the obligations expressly set forth in this Bond Purchase Agreement, and (iii) the District has consulted with its own legal and other professional advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

6. Closing. The Closing Time shall be no later than 9:30 a.m., Pacific Time, on [CLOSING DATE], or at such earlier or later time or on such earlier date as shall have been mutually agreed upon by the District and the Underwriter. The documents described in Section 8(e) (Receipt of Documents) hereof shall be delivered to the Underwriter at the Closing Time; and the Underwriter will accept delivery of such documents and pay the purchase price for the Bonds as described above (credit being given for the amount of good faith deposit specified herein). Delivery of such documents shall be made at the offices of Parker & Covert LLP, 2520 Venture Oaks Way, Suite 190, Sacramento, California, or at such other place as shall have been mutually agreed upon by the District and the Underwriter.

7. Representations, Warranties and Agreements of the District. The District hereby represents, warrants and agrees with the Underwriter that:

(a) Valid Existence. The District is a school district duly organized and validly existing under the laws of the State.

(b) Authority. The District has full legal right, power and authority under the laws of the State (i) to enter into the District Documents; (ii) to approve and execute the Official Statement; (iii) to issue, execute, sell, and deliver the Bonds to the Underwriter as provided herein; (iv) to perform its obligations under the District Documents; and (v) to consummate the transactions as described in the District Documents and the Official Statement.

(c) Official Action. By all necessary action, the District has duly approved the Preliminary Official Statement and authorized: (i) the execution and delivery of the District Documents and the issuance, sale, execution, and delivery of the Bonds; (ii) approval of the final Official Statement and the signing of the Official Statement by the District's Superintendent or another designated officer of the District; (iii) distribution of the Preliminary Official Statement and the Official Statement by the Underwriter; and (iv) the performance of the District's obligations under the District Documents and the consummation of the transactions to be consummated on its part as described therein and in the Official Statement.

(d) Validity of Documents. Assuming due authorization, execution, and delivery by the other parties thereto, this Bond Purchase Agreement is in full force and effect as of the date hereof and the other District Documents and the Bonds, upon execution thereof, will each constitute valid and binding agreements or obligations of the District, enforceable in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally or by equitable principles.

(e) Government Approvals. All consents, approvals, authorizations, orders, licenses, or permits of any governmental authority, legislative body, board, agency, or commission having jurisdiction of the matter (i) that are required for the due authorization by, or (ii) that would constitute a condition precedent to, or the absence of which would materially adversely affect, the issuance, sale, or delivery of the Bonds or the due performance by the District of its obligations under the District Documents, have been duly obtained (except for such approvals, consents, and orders as may be required under the Blue Sky or other securities laws of any state in connection with the offering and sale of the Bonds, as to which no representation is made).

(f) No Violation of Law. The issuance, sale, and delivery of the Bonds, the execution and delivery of the District Documents, and compliance with the District's obligations therein will not violate any such constitutional provision, law, administrative regulation, judgment, or decree.

(g) No Breach of Contracts. The issuance, sale, and delivery of the Bonds, the execution and delivery of the District Documents, and compliance with the District's obligations therein will not result in a breach of or constitute a default under any loan agreement, indenture, bond, note, resolution, agreement, mortgage, lease, or other instrument to which the District is a party or by which it is bound.

(h) No Litigation. As of the date hereof and except as may be described in the Official Statement, no action or proceeding is pending before any court, governmental agency or arbitrator or overtly threatened in writing against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the Board of Education of the District or any officer of the District who is required to act with respect to the issuance, execution, sale, and delivery of the Bonds or the execution and delivery of the District Documents; (ii) affecting or seeking to prohibit, restrain, or enjoin the issuance, sale, execution, or delivery of the Bonds, the application of the proceeds of the sale of the Bonds, or the levy of any taxes contemplated by the Paying Agent Agreement; (iii) in any way contesting or affecting

the validity or enforceability of the Bonds or the District Documents, the powers of the District, or its authority with respect to the issuance, sale, or delivery of the Bonds or the execution and delivery of the District Documents; (iv) in any way contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement; (v) in any way contesting or challenging the consummation of the transactions contemplated by the Official Statement or the District Documents; or (vi) in which a final adverse decision could materially adversely affect the operations of the District or adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes and the exemption of such interest from California personal income taxes.

(i) No Debt Issues. Between the date hereof and the Closing Time, without the consent of the Underwriter, which consent will not be unreasonably withheld, the District will not offer or issue (or request the County to issue on its behalf) any bonds, notes, or other obligations for borrowed money, or incur any material liabilities, direct or contingent, except in the course of normal business operations of the District or as described in the Official Statement.

(j) “Blue Sky” Qualification. The District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate, and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for distribution of the Bonds; provided, however, that the District shall not be required to register as a broker-dealer in any state or other jurisdiction of the United States.

(k) Accuracy of Preliminary Official Statement. As of the date thereof, and at the time of the District’s acceptance hereof, the Preliminary Official Statement (except for any information about [the Insurer or] DTC) did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements in the Preliminary Official Statement, in light of the circumstances under which they were made, not misleading.

(l) Accuracy of Official Statement. As of the date hereof, and (unless an event occurs of the nature described in Section 4(d) (Amendments or Supplements to Official Statement)) at all times subsequent hereto, up to and including the end of the underwriting period as described in Section 4(c) (End of the Underwriting Period), the Official Statement (except for any information about [the Insurer or] DTC) does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements in the Official Statement, in light of the circumstances under which they are made, not misleading.

(m) Accuracy of Supplemented Official Statement. If the Official Statement is supplemented or amended pursuant to Section 4(d) (Amendments or Supplements to Official Statement), at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such Section) at all times subsequent thereto up to and including the end of the underwriting period as described in Section 4(c) (End of the Underwriting Period), the Official Statement as so supplemented or amended (except for any

information about [the Insurer or] DTC) will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(n) Officers' Certificates. Any certificate signed by any officer or representative of the District with respect to the Bonds or the District Documents and delivered to the Underwriter shall be deemed a representation and warranty by the District to the Underwriter as to the statements made therein.

(o) Income Tax Exemptions. The District shall not take any action or fail to take any action, or permit any action or omission with regard to which the District may exercise control, if any such action or failure to act could adversely affect the exclusion from gross income for federal income tax purposes or the exemption from California taxes of interest on the Bonds.

(p) No Arbitrage Bonds. The District shall not take any action or fail to take any action, or permit any action or omission with regard to which the District may exercise control, with respect to the proceeds of the Bonds, which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Bonds would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, as modified by Section 54A(d)(4) of the Code, including the Treasury Regulations with respect thereto.

(q) Continuing Disclosure. In accordance with the requirements of Rule 15c2-12, at or prior to the Closing, the District shall have duly authorized, executed, and delivered the Continuing Disclosure Certificate on behalf of each obligated person for which financial and/or operating data is presented in the Official Statement. The Continuing Disclosure Certificate shall comply with the provisions of Rule 15c2-12 and be substantially in the form attached to the Official Statement in Appendix B. Except as otherwise disclosed in the Official Statement, to the best knowledge of the District's current administrative staff, the District has never failed to comply in all material respects with any previous undertakings with regard to said Rule 15c2-12 to provide annual reports or notices of material events with respect to the last five years.

8. Conditions to the Underwriter's Obligations. The Underwriter has entered into this Bond Purchase Agreement in reliance upon the representations, warranties, and obligations of the District contained herein, in the other District Documents, and in the other documents and instruments to be delivered on the Closing Date. Accordingly, the Underwriter's obligations under this Bond Purchase Agreement shall be subject to the following conditions:

(a) Representations and Warranties. The representations and warranties of the District contained herein shall be true, complete, and correct in all material respects at the date hereof and at and as of the Closing Time, as if made at and as of the Closing Time and will be confirmed by a certificate or certificates of the appropriate District officer or officers dated the Closing Date; the statements made in all Bonds and other documents delivered to the Underwriter at the Closing Time pursuant hereto shall be true, complete, and correct in all

material respects at the Closing Time; and the District shall be in compliance with each of the warranties, agreements, and covenants made by it in the District Documents.

(b) Actions and Obligations. (i) At the Closing Time all actions that, in the opinion of Parker & Covert LLP, bond counsel, are necessary in connection with the transactions contemplated hereby shall have been duly taken and shall be in full force and effect; and (ii) the District shall perform or have performed all of their respective obligations required under or specified in the District Documents to be performed at or prior to the Closing Time.

(c) Actions Relating to Documents. As of the date hereof and at the Closing Time, all necessary actions of the District relating to the District Documents and the Official Statement, and all other matters with respect to authorization, issuance, execution, sale, and delivery of the Bonds shall have been taken and shall be in full force and effect and shall not have been amended, modified, or supplemented in any material respect, except as agreed to in writing by the Underwriter.

(d) No Material Change. Subsequent to the date hereof and up to and including the Closing Time, there shall not have occurred any change in the financial position, results of operations, or condition, financial or otherwise, of the District; or any change in any of the District Documents, as the foregoing matters are described in the Official Statement, that in the reasonable judgment of the Underwriter would materially impair the investment quality of the Bonds.

(e) Receipt of Documents. At or prior to Closing Date, the Underwriter shall receive a transcript of all proceedings relating to the authorization, issuance, execution, sale, and delivery of the Bonds, certified by such officer or officers of the District as shall be satisfactory to the Underwriter, specifically including copies of each of the following documents:

i. Official Statement. The Official Statement delivered in accordance with Section 4 (Official Statement) hereof and each supplement or amendment, if any, each executed by the Superintendent of the District or another authorized officer of the District.

ii. Final Opinion of Bond Counsel. An approving legal opinion of Parker & Covert LLP, bond counsel, dated the Closing Date, in the form of Appendix C to the Official Statement, and a letter from bond counsel addressed to the Underwriter authorizing the Underwriter to rely on that opinion.

iii. Supplemental Opinion of Bond Counsel. A supplemental opinion of bond counsel in form and substance satisfactory to the Underwriter, dated the Closing Date and addressed to the District and the Underwriter, to the effect that:

(1) the description of the Bonds and the security for the Bonds and statements in the Official Statement on the cover page thereof and under the captions "INTRODUCTION," "THE BONDS," and "LEGAL MATTERS – Tax Matters," to the extent they purport to summarize certain provisions of the Resolution (defined below) and the

Continuing Disclosure Certificate, fairly and accurately summarize the matters purported to be summarized therein;

(2) assuming due authorization, execution and delivery by all the parties thereto, the District Documents have each been duly authorized, executed and delivered by the respective parties thereto and constitute legal, valid and binding agreements of the District and are enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except as their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought; and

(3) the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Resolution (defined below) is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

iv. Opinion of Insurer's Counsel. A legal opinion of counsel to the Insurer, addressed to the Underwriter and the District, dated the Closing Date, in form and substance acceptable to the Underwriter, to the effect that:

(1) The Insurer is a _____ company, duly organized and validly existing under the laws of the State of New York and is duly qualified to conduct an insurance business in the State of California; and

(2) The Insurance Policy has been duly executed and is a valid and binding obligation of the Insurer enforceable in accordance with its terms except that the enforcement of the Insurance Policy may be limited by laws relating to bankruptcy, insolvency, reorganization, moratorium, receivership, and other similar laws affecting creditor's rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).]

v. District Resolution. The resolution of the Board of Education of the District ("Resolution") authorizing the execution and delivery of the Bonds and the execution and delivery of the District Documents, approving the Preliminary Official Statement, and authorizing execution of the Official Statement and distribution of the Preliminary Official Statement and the Official Statement, certified by the Secretary of the Board of Education.

vi. Tax Certificate. A Tax Certificate of the District in form satisfactory to bond counsel, signed by such officers of the District as shall be satisfactory to bond counsel and the Underwriter.

vii. District's Certificate. A certificate dated the Closing Date and signed by such officers of the District as shall be satisfactory to the Underwriter, to the effect that:

(1) the representations and warranties of the District contained herein are true and correct in all material respects on and as of the Closing Time with the same effect as if made at the Closing Time;

(2) the resolution of the Board of Education of the District authorizing the issuance, execution, sale, and delivery of the Bonds and the execution and delivery of the District Documents, approving the Preliminary Official Statement, and authorizing execution of the Official Statement and distribution of the Preliminary Official Statement and the Official Statement is in full force and effect at the Closing Time and has not been amended, modified, or supplemented, except as agreed to in writing by the Underwriter;

(3) there has not been any adverse change of a material nature in the financial position, results of operations, or condition, financial or otherwise, of the District since the date of this Bond Purchase Agreement;

(4) the District has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Time; and

(5) no consent is required for the inclusion of the District's 2015-2016 Audited Financial Statement as an appendix to the Official Statement.

viii. Insurer's Certificate. A certificate, dated the Closing Date and signed by such officers of the Insurer as shall be satisfactory to the Underwriter, to the effect that the information with respect to the Insurer and the Insurance Policy in the Official Statement is true and correct in all material respects on and as of the Closing Date.]

ix. Paying Agent's Certificate. A certificate dated the Closing Date of an authorized officer of the Paying Agent to the effect that:

(1) the Paying Agent has duly accepted its duties under the Paying Agent Agreement;

(2) the Paying Agent Agreement was duly executed and delivered and the Bonds were duly authenticated in the name and on behalf of the Paying Agent by authorized signatories of the Paying Agent; and

(3) there are no actions or proceedings against the Paying Agent pending (service of process having been accomplished) before any court, governmental agency, or arbitrator, or overtly threatened in writing, that (a) seek to restrain or enjoin the execution and delivery of the Paying Agent Agreement or the delivery of the Bonds or (b) seek to affect the validity of the Bonds or the Paying Agent Agreement.

x. Agreements. Fully executed copies of the Paying Agent Agreement and the Continuing Disclosure Certificate.

xi. Insurance Policy. A copy of the original Insurance Policy, in form and substance satisfactory to the Underwriter.]

xii. Ratings Letters. Letters from S&P Global Ratings evidencing that the underlying rating of the Bonds is “___” [and the insured rating is “___”] and that such ratings are in full force and effect and have not been withdrawn or downgraded for any reason.

xiii. Other Legal Opinions and Documents. Such additional legal opinions, certificates, proceedings, instruments, and other documents as the Underwriter or bond counsel may reasonably request to evidence compliance by the District and the Paying Agent with all legal requirements with respect to the issuance, sale, execution and delivery of the Bonds and the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

9. Termination. If the District shall be unable to satisfy the conditions to the Underwriter’s obligations contained in this Bond Purchase Agreement or if the Underwriter’s obligations shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement may be cancelled by the Underwriter at, or at any time prior to, the Closing Time. Notice of such cancellation shall be given to the District in writing, or by telephone or telegraph confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived in writing by the Underwriter at its sole discretion. The Underwriter shall also have the right to cancel its obligations to purchase the Bonds, by written notice to the District, if between the date hereof and the Closing Time:

(a) Inaccuracy of Official Statement. Any event occurs or information becomes known that, in the reasonable judgment of the Underwriter, makes untrue any statement of a material fact set forth in the Official Statement or results in an omission to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(b) Change in Law Affecting Bonds. Any legislation, resolution, ordinance, rule, or regulation shall be introduced in or be enacted by any governmental body, department or agency in the State, or a decision by any court of competent jurisdiction within the State shall be rendered, or any action taken by any department or agency of the State or federal government that, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds;

(c) Change in Law Affecting Tax Exemption. The market for the Bonds or the market price of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds shall have been materially and adversely affected, in the reasonable professional judgment of the Underwriter, by legislation enacted by the Congress of the United States, or passed by either House of the Congress, or favorably reported for passage to either House of the Congress by any Committee of such House to which such legislation has been referred for consideration, or by the legislature of the State; or a decision rendered by a court of the United States or the State or by the United States Tax Court, or a ruling, order, or regulation (final or temporary) made by the Treasury Department of the United States or the Internal Revenue Service or other federal or State authority, that would have the effect of changing, directly or

indirectly, the federal income tax consequences or State income tax consequences of the receipt of interest paid with respect to obligations of the general character of the Bonds;

(d) Administrative Action Affecting Securities Law Status. A stop order, ruling, regulation, or official statement by, or on behalf of, the Securities and Exchange Commission (including a no action or interpretive letter of the staff thereof) or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, execution, sale, or delivery of obligations of the general character of the Bonds, including any underlying or related arrangements, as contemplated hereby or by the Official Statement, is in violation of (or would be in violation unless registered or otherwise qualified under) any provision of the Securities Act of 1933, as amended and as then in effect (the “Securities Act”), or the Bonds, including any underlying or related arrangements, are required to be registered under the Securities Exchange Act of 1934, as amended and as then in effect (the “Exchange Act”), or the Paying Agent Agreement is required to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect (the “Trust Indenture Act”);

(e) Change in Law Affecting Securities Law Status. Legislation shall be introduced in or enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, to the effect that obligations of the general character of the Bonds, including any underlying or related arrangements, are not or would not be exempt from registration, qualification, or the other requirements of the Securities Act or the Exchange Act that are not now applicable to the Bonds and any underlying or related arrangements or that the Paying Agent Agreement is not exempt from qualification under or other requirements of the Trust Indenture Act;

(f) Change in Capital Requirements. Any national securities exchange, or any governmental authority, shall impose, as to the Bonds, or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

(g) Banking Moratorium. A general banking moratorium shall have been established by federal, New York, or State authorities;

(h) National Emergency. A war involving the United States of America shall have been declared, or any conflict involving the armed forces of the United States of America shall have escalated, or any other national emergency relating to the effective operation of government or the financial community shall have occurred (regardless of the circumstances, if any, that exist as to such events as of the date hereof) that, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds;

(i) Suspension of Trading. A general suspension of trading on the New York Stock Exchange shall be in force;

(j) Trading Restrictions. Additional material restrictions not in force or not being enforced as of the date hereof shall have been imposed upon trading in securities generally

by any governmental authority or by any national securities exchange that, in the professional opinion of the Underwriter, materially and adversely affects the market price for the Bonds;

(k) Litigation. Any litigation shall be instituted or be pending at the Closing Time to restrain or enjoin the issuance, execution, or delivery of the Bonds or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Bonds, the District Documents, or the existence or powers of the District; or

(l) Ratings Change. The withdrawal or downgrading of any underlying rating of the District's outstanding general obligation indebtedness by a national rating agency.

If the Underwriter terminates its obligations to purchase the Bonds because the conditions specified in this Bond Purchase Agreement shall not have been fulfilled at or before the Closing Time, such termination shall not result in any liability on the part of the Underwriter.

10. Conditions to Obligations of the District. The performance by the District of its obligations hereunder is conditioned upon (i) the performance by the Underwriter of its obligations hereunder at or prior to the Closing Date, and (ii) the following additional conditions:

(a) Continued Legality. No order, decree, injunction, ruling, or regulation of any court, regulatory agency, public board, or body shall have been issued, nor shall any legislation have been enacted, with the purpose or effect, directly or indirectly, of prohibiting the issuance, offering, sale, execution, or delivery of the Bonds as contemplated hereby or by the Official Statement; and

(b) Opinions and Certificates. The opinions and certificates required to be delivered at the Closing Time under Section 8(e) (Receipt of Documents) of this Bond Purchase Agreement by persons and entities other than the District shall have been delivered to the District in form and substance satisfactory to bond counsel.

11. Expenses. The Underwriter shall pay all of the expenses that it incurs, including, but not limited to:

(a) all expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds, including all advertising expenses and “blue sky” filing fees;

(b) the cost of preparation and printing (and/or word processing and reproduction) of the “blue sky” and legal investment memoranda, if any;

(c) the expense of providing immediately available funds in accordance with Section 6 (Closing);

(d) the premium for any policy of bond insurance that it obtains for the Bonds;

(e) the fees of CUSIP and CDIAC in connection with the Bonds;

- (f) any MSRB or SIFMA fees in connection with the Bonds; and
- (g) the fees of The Depository Trust Company in connection with the Bonds.

12. Continuing Disclosure. The District will undertake, pursuant to the Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

13. Good Faith Deposit. The Good Faith Deposit in the amount of \$100,000 has been, or within two (2) business days hereof will be, wired to the District's account as security for the performance by the Underwriter of its obligation to accept and pay for the Bonds at the Closing, as provided in Section 2 (Purchase, Sale, and Delivery of the Bonds) hereof. If the Underwriter complies with such obligations, the Good Faith Deposit shall be credited toward the payment of the purchase price of the Bonds by the Underwriter at the Closing, as provided in Section 2 (Purchase, Sale, and Delivery of the Bonds) hereof. If the District does not accept this offer, the Good Faith Deposit shall be promptly returned to the Underwriter. If the District fails to deliver the Bonds at the Closing, or if the District shall be unable to satisfy the conditions of the obligation of the Underwriter to purchase and accept delivery of the Bonds as set forth in this Bond Purchase Agreement, or if the obligation of the Underwriter with respect to the Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriter nor the District shall be under further obligation hereunder, except that the amounts of the Good Faith Deposit shall immediately be paid to the Underwriter and the respective obligations of the District and the Underwriter for the payment of expenses, as provided in Section 11 (Expenses), shall continue in full force and effect. If the Underwriter fails (other than for a reason permitted hereunder) to accept and pay for the Bonds at the Closing as herein provided, the amount of the Good Faith Deposit shall be retained by the District as full liquidated damages for such failure and for any defaults hereunder on the Underwriter's part and shall constitute a full release and discharge of all claims and damages for such failure and for such defaults. The Underwriter understands that District's actual damages may be greater or may be less than the amount of the Good Faith Deposit. Accordingly, the Underwriter hereby waives any right to claim that the District's actual damages are less than such sum, and the District's acceptance of this offer shall constitute a waiver of any right the District may have to additional damages from the Underwriter. Any interest or other income from the investment of the Good Faith Deposit by the District shall belong to the District.

14. Notices. Any notice or other communication to be given under this Bond Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing, if to the District, addressed to:

Galt Joint Union Elementary School District
1018 C Street, Suite 210
Galt, California 95632
Attention: Director of Business Services/CBO

or if to the Underwriter, addressed to:

[UNDERWRITER]

Attention: _____

15. Parties in Interest. This Bond Purchase Agreement when accepted by the District in writing as heretofore specified, shall constitute the entire agreement between the District and the Underwriter and is made solely for the benefit of the District and the Underwriter (including the successors of the Underwriter). No other person shall acquire or have any right hereunder or by virtue hereof.

16. Survival of Representations and Warranties. All representations, warranties, and agreements of the District in this Bond Purchase Agreement shall survive regardless of (a) any investigation of any statement in respect thereof made by or on behalf of the Underwriter; (b) delivery of and payment by the Underwriter for the Bonds hereunder; and (c) any termination of this Bond Purchase Agreement.

17. Section Headings and References. The headings or titles of the sections and subsections of this Bond Purchase Agreement are solely for convenience of reference and shall not affect the meaning, construction, or effect of any provision of this Bond Purchase Agreement.

18. Execution in Counterparts. This Bond Purchase Agreement may be executed in several counterparts and by each of the parties hereto in separate counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

19. Applicable Law. This Bond Purchase Agreement shall be interpreted, governed and enforced in accordance with the laws of the State of California.

20. Effective Date. This Bond Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the District and shall be valid and enforceable as of the time of such acceptance.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this Bond Purchase Agreement as of the date first written above.

[UNDERWRITER]

By: _____
[NAME], [TITLE]

**GALT JOINT UNION ELEMENTARY
SCHOOL DISTRICT**

By: _____
[NAME], [TITLE]

The above is hereby agreed to and accepted as of [SALE DATE], at ____ a.m./p.m. Pacific Time.

EXHIBIT A
GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 2016, SERIES 2017

DESCRIPTION OF THE BONDS

<u>Maturity</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Reoffering</u> <u>Price</u>
	\$	%	%	

* = Term Bonds
c = Priced to August 1, 2026, par call.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 2016, SERIES 2017**

CONTINUING DISCLOSURE CERTIFICATE

[CLOSING DATE]

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is executed and delivered by the Galt Joint Union Elementary School District (the “District”) in connection with the issuance of _____ dollars \$[PAR AMOUNT] aggregate principal amount of Galt Joint Union Elementary School District, General Obligation Bonds, Election of 2016, Series 2017 (the “Bonds”). The Bonds are being issued pursuant to a Paying Agent Agreement dated June 1, 2017 (the “Paying Agent Agreement”), between the District and Zions Bank, a division of ZB, National Association (the “Paying Agent”). The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being delivered by the District for the benefit of the holders and beneficial owners of the Bonds, and to assist the Participating Underwriter, as defined below, in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Paying Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

Annual Report means any report provided by the District pursuant to, and as described in, Sections 3 (Provision of Annual Reports) and 4 (Content of Annual Reports) of this Disclosure Certificate.

Beneficial Owner means any person who (a) has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Bonds for federal income tax purposes.

Bondholders means either the registered owners of the Bonds, or, if the Bonds are registered in the name of The Depository Trust Company or another recognized depository, any Beneficial Owner or applicable participant in its depository system.

Dissemination Agent means the District, or any successor Dissemination Agent designated in writing by the District, and which has filed with the District a written acceptance of such designation.

EMMA or Electronic Municipal Market Access means the centralized online repository for documents filed with the MSRB, such as official statements and disclosure

information relating to municipal bonds, notes and other securities as issued by state and local governments.

Listed Events means any of the events listed in Section 5(a) (Reporting of Significant Events – Significant Events) of this Disclosure Certificate.

MSRB means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information, which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

Official Statement means the final Official Statement dated [SALE DATE], relating to the Bonds.

Opinion of Bond Counsel means a written opinion of a law firm or attorney experienced in matters relating to obligations the interest on which is excludable from gross income for federal income tax purposes.

Participating Underwriter means the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

Repository means MSRB or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

Rule means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

State means the State of California.

Section 3. Provision of Annual Reports.

a. Delivery of Annual Report to Repositories. The District shall, or shall cause the Dissemination Agent to, not later than nine (9) months after the end of each fiscal year, commencing with the report for the 2016-2017 Fiscal Year, due March 31, 2018, provide to the Repository an Annual Report that is consistent with the requirements of Section 4 (Content of Annual Reports) of this Disclosure Certificate. The Annual Report may be submitted as a single document or as a package of separate documents and may include by cross-reference other information as provided in Section 4 (Content of Annual Reports) of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(d).

If the District does not provide, or cause the Dissemination Agent to provide, an Annual Report by the date required above, the Dissemination Agent shall provide to the MSRB, in an

electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

b. The Dissemination Agent shall:

(1) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(2) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following:

a. Financial Statements. Audited financial statements prepared in accordance with the generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

b. Other Financial Information and Operating Data. Material financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District's audited financial statements):

- (1) Adopted budget of the District for the then current fiscal year, or a summary thereof;
- (2) Average daily attendance of the District for the last completed fiscal year;
- (3) Outstanding District indebtedness for the last completed fiscal year;
- (4) Assessed valuation for real property located in the District for the then current fiscal year; and
- (5) In the event the County of Sacramento and/or the County of San Joaquin discontinue the Teeter Plan with respect to the taxes levied for debt service for Bonds, information regarding total secured tax charges and delinquencies on taxable properties within the District, if and to the extent provided to the District by the County of Sacramento and the County of San Joaquin.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities that have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

a. Significant Events. Pursuant to the provisions of this Section, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;
- (7) modifications to rights of Bondholders, if material;
- (8) Bond calls, if material;
- (9) tender offers;
- (10) defeasances;
- (11) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (12) rating changes;
- (13) bankruptcy, insolvency, receivership or similar event of the District;
- (14) the consummation of a merger, consolidation, or acquisition, or certain asset sales, involving the District, or entry into or termination of a definitive agreement relating to the foregoing, if material;
- (15) appointment of a successor or additional trustee or paying agent, or the change of name of the trustee or paying agent, if material.

b. Determination of Materiality. Whenever the District obtains knowledge of one of the foregoing events notice of which must be given only if material, the District shall immediately determine if such event would be material under applicable federal securities laws.

c. Notice to Dissemination Agent. If the District has determined an occurrence of a Listed Event under applicable federal securities laws, the District shall promptly notify the Dissemination Agent (if other than the District) in writing. Such notice shall instruct

the Dissemination Agent to report the occurrence pursuant to subsection (d) (Notice of Listed Events).

d. Notice of Listed Events. The District shall file, or cause the Dissemination Agent to file, with the Repository, in an electronic format prescribed by the MSRB, a notice of the occurrence of a Listed Event to provide notice of specified events in a timely manner not in excess of ten (10) business days after the event's occurrence. Notwithstanding the foregoing, notice of Listed Events described in subsection (a)(8) (Bond calls) need not be given under this subsection any earlier than the notice (if any) given to Bondholders of affected Bonds pursuant to the Paying Agent Agreement.

Section 6. Identifying Information for Filings with MSRB. All documents provided to the MSRB under this Disclosure Certificate shall be filed in a readable PDF or other electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(d) (Notice of Listed Events).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent will be Government Financial Strategies inc.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

a. if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

b. the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

c. the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Paying Agent Agreement for amendments to the Paying Agent Agreement with the consent of holders, or (ii) does not, in the opinion of the Paying Agent or nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(d).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, any Bondholder of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Paying Agent Agreement, and the sole remedy under this Disclosure Certificate if the District fails to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the District, the Bondholders, or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Paying Agent, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, the District has caused this Continuing Disclosure Certificate to be executed by its authorized officer as of the day and year first above written.

**GALT JOINT UNION ELEMENTARY
SCHOOL DISTRICT**

By: _____
Superintendent

EXHIBIT A

FORM OF NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of District: Galt Joint Union Elementary School District

Name of Bonds: GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 2016, SERIES 2017

Date of Delivery: [CLOSING DATE]

NOTICE IS HEREBY GIVEN that the Galt Joint Union Elementary School District (the “District”) has not provided an Annual Report with respect to the above-named Bonds as required by a Continuing Disclosure Certificate executed [CLOSING DATE], with respect to the above-captioned bond issue. The District anticipates that the Annual Report will be filed by _____.

Dated: _____

**GALT JOINT UNION ELEMENTARY
SCHOOL DISTRICT**

[SAMPLE ONLY]

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, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

MATURITY SCHEDULE

\$9,600,000*

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
(SACRAMENTO COUNTY AND SAN JOAQUIN COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES 2017

Maturity Date August 1	Principal Amount*	Interest Rate	Reoffering Yield	Price	CUSIP+
2018	\$ __,000	__%	__%	__%	364116 __
2019	__,000	__	__	__	364116 __
2029	__,000	__	__	__	364116 __
2030	__,000	__	__	__	364116 __
2031	__,000	__	__	__	364116 __
2032	__,000	__	__	__	364116 __
2033	__,000	__	__	__	364116 __
2034	__,000	__	__	__	364116 __
2035	__,000	__	__	__	364116 __
2036	__,000	__	__	__	364116 __
2037	__,000	__	__	__	364116 __
2038	__,000	__	__	__	364116 __
2039	__,000	__	__	__	364116 __
2040	__,000	__	__	__	364116 __
2041	__,000	__	__	__	364116 __
2042	__,000	__	__	__	364116 __
2043	__,000	__	__	__	364116 __
2044	__,000	__	__	__	364116 __
2045	__,000	__	__	__	364116 __
2046	__,000	__	__	__	364116 __

* Preliminary; subject to adjustment

+ CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. Neither the District nor the Underwriter is responsible for the selection or correctness of the CUSIP numbers set forth herein.

Use of Official Statement. This Official Statement is submitted with respect to the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract with the purchasers of the Bonds.

No Securities Laws Registration. The Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Bonds have not been registered or qualified under the securities law of any state.

No Unlawful Offers of Solicitations. This Official Statement does not constitute an offer to sell nor the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make an offer, solicitation or sale.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations, other than those contained herein, and if given or made, such other information or representations must not be relied upon as having been authorized by the District.

Information in Official Statement. The information set forth herein has been furnished by the District and other sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof.

Website. The District maintains a website; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

Estimates and Projections. Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget” or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based change.

Statement of Underwriter. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities under federal securities laws, as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Stabilization of and Changes to Offering Prices. In connection with the offering, the Underwriter may over-allot or effect transactions that stabilize or maintain the market price of the Bonds offered hereby at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Bonds to certain dealers, institutional investors, banks or others at prices lower or higher than the public offering prices stated on the inside cover page hereof, and such public offering prices may be changed from time to time by the Underwriter.

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

DISTRICT BOARD OF TRUSTEES

Kevin Papineau, President
John Gordon, Vice President
Grace Malson, Clerk
Matthew Felix, Representative
Wesley Cagle, Member

DISTRICT ADMINISTRATION

Karen Schauer, Ed.D., Superintendent
Tom Barentson, Director of Business Services
Claudia Del Toro-Anguiano, Director of Curriculum
Donna Mayo-Whitlock, Director of Educational Services

Galt Joint Union Elementary School District
1018 C Street, Suite 210
Galt, California 95632
(209) 744-4545

MUNICIPAL ADVISOR

Government Financial Strategies inc.
1228 N Street, Suite 13
Sacramento, California 95814
(916) 444-5100

BOND COUNSEL

Parker & Covert LLP
2520 Venture Oaks Way, Suite 190
Sacramento, California 95833
(916) 245-8677

PAYING AGENT

Zions Bank, a division of ZB, National Association
550 South Hope Street, Suite 2875
Los Angeles, California 90071
(213) 593-3157

* Preliminary; subject to adjustment

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

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^{*} Preliminary; subject to adjustment

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JUNE 30, 2016

- APPENDIX B—FORM OF CONTINUING DISCLOSURE CERTIFICATE
- APPENDIX C—FORM OF OPINION OF BOND COUNSEL
- APPENDIX D—COUNTY OF SACRAMENTO ANNUAL INVESTMENT POLICY
- APPENDIX E—DTC BOOK-ENTRY ONLY SYSTEM

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OFFICIAL STATEMENT

\$9,600,000*

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
(SACRAMENTO COUNTY AND SAN JOAQUIN COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES 2017

INTRODUCTORY STATEMENT

General

The purpose of this Official Statement, which includes the cover page, inside cover page, table of contents and attached appendices (the “Official Statement”), is to provide certain information concerning the sale and delivery of the Galt Joint Union Elementary School District General Obligation Bonds, Election of 2016, Series 2017 in the aggregate principal amount of \$9,600,000* (the “Bonds”).

This INTRODUCTORY STATEMENT is not a summary of this Official Statement. It is only a brief description of and guide to this Official Statement. This INTRODUCTORY STATEMENT is qualified by more complete and detailed information contained in this entire Official Statement. A full review of this entire Official Statement should be made by a person interested in investing in the Bonds. The offering of the Bonds to potential investors is made only by means of this entire Official Statement.

The District

The Galt Joint Union Elementary School District (the “District”), a political subdivision of the State of California (the “State”), is an elementary school district established in 1955. The District encompasses approximately 27 square miles in the southern portion of Sacramento County (the “County”) and a small section of the northern portion of San Joaquin County, serving a population of approximately 30,000 people residing in the City of Galt (the “City”) and surrounding areas. The District operates five elementary schools and one middle school, providing education to approximately 3,620 students in transitional kindergarten through eighth grade, as well as a preschool. The District is governed by a five-member Board of Trustees (the “District Board”). See “THE DISTRICT” and “DISTRICT FINANCIAL INFORMATION” herein.

Purpose of Issue

The Bonds are being issued by 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 “THE BONDS—General Obligation Bond Election of 2016” herein.

* Preliminary; subject to adjustment

Authority for Issuance

The Bonds are being issued by the District under and pursuant to the California Constitution (the “State Constitution”), certain provisions of the California Government Code (the “Government Code”) and the California Education Code (the “Education Code”), a resolution adopted by the District Board on April 26, 2017 (the “Resolution”) and a paying agent agreement dated May 1, 2017 (the “Paying Agent Agreement”) between the District and Zions Bank, a division of ZB, National Association (the “Paying Agent”).

Description of the Bonds

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”). 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 the Paying Agent to DTC for subsequent disbursement to DTC participants who will remit such payments to the beneficial owners of the Bonds (the “Beneficial Owners”). See “APPENDIX E—DTC BOOK-ENTRY ONLY SYSTEM” attached hereto.

The Bonds are being issued as current interest bonds in denominations of \$5,000 principal amount, or any integral multiple thereof. The Bonds are dated their date of delivery and mature on August 1 in each of the years and in the amounts set forth on the inside cover page hereof. Interest on the Bonds is computed on the basis of a 360-day year comprised of twelve 30-day months. Interest on the Bonds is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2018. See “THE BONDS—Payment of Principal and Interest” herein.

The Bonds are subject to redemption prior to maturity. See “THE BONDS—Redemption Provisions” herein.

Source of Payment for the Bonds

The Bonds are general obligation bonds of the District payable solely from *ad valorem* property taxes, which 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, 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.

Bond Insurance

The decision as to whether or not payment of debt service on the Bonds will be insured will be determined by the Underwriter of the Bonds at the time of the sale of the Bonds.

Tax Matters

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. 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. A complete copy of the proposed opinion of Bond Counsel is included with this Official Statement. See “APPENDIX C—FORM OF OPINION OF BOND COUNSEL” attached hereto.

Bank Qualified Obligations

The District has designated the Bonds as qualified tax-exempt obligations within the meaning of Section 265(b)(3) of the IRS Code of 1986, as amended.]

Continuing Disclosure

The District will covenant for the benefit of the Registered Owners (as hereinafter defined) and Beneficial Owners to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain enumerated events in compliance with Securities and Exchange Commission (the “SEC”) Rule 15c2-12(b)(5). The specific nature of the information to be made available and of the notices of certain enumerated events are set forth in “APPENDIX B—FORM OF CONTINUING DISCLOSURE CERTIFICATE” attached hereto. See also “CONTINUING DISCLOSURE” herein.

Professionals Involved

Government Financial Strategies inc., Sacramento, California, has acted as municipal advisor (the “Municipal Advisor”) to the District with respect to the sale and delivery of the Bonds. See “MUNICIPAL ADVISOR” herein. Certain proceedings in connection with the sale and delivery of the Bonds are subject to the approving legal opinion of Parker & Covert LLP as Bond Counsel. Zions Bank, a division of ZB, National Association will act as paying agent with respect to the Bonds. Parker & Covert LLP and Zions Bank, a division of ZB, National Association will receive compensation contingent upon the sale and delivery of the Bonds.

Other Information

This Official Statement may be considered current only as of its date that has been made a part of the cover page hereof, and the information contained herein is subject to change. A description of the Bonds and the District, together with summaries of certain provisions of the Resolution, the Paying Agent Agreement and other legal documents related to the Bonds (collectively, the “Legal Documents”) are included in this Official Statement. Such summaries do not purport to be comprehensive or definitive, and all references made herein to the Legal Documents approved by the District are qualified in their entirety by reference to such document, and all references herein to the Bonds are qualified in their entirety by reference to the form thereof included in the Legal Documents.

Information concerning this Official Statement, the Bonds, the District, the Legal Documents or any other information relating to the sale and delivery of the Bonds is available for public inspection and may be obtained by contacting Galt Joint Union Elementary School District, 1018 C Street, Suite 210, Galt, California 95632, (209) 744-4545, Attention: Director of Business Services, or by contacting the Municipal Advisor, Government Financial Strategies inc., 1228 N Street, Suite 13, Sacramento, California 95814-5609, telephone (916) 444-5100.

THE BONDS

Authority for Issuance

The Bonds are being issued by the District under and pursuant to the provisions of Article XIII A, Section 1 and Article XVI, Section 18 of the State Constitution, the provisions of Government Code Section 53506 *et seq.* and all laws amendatory to or supplemental thereof, the provisions of Education Code Section 15100 *et seq.* and all laws amendatory to or supplemental thereof, and pursuant to the provisions of the Resolution and the Paying Agent Agreement. The District may incur bonded indebtedness upon the vote of 55 percent or more of the qualified electors of the District voting on the proposition pursuant to Article XIII A, subject to the debt limitations set forth in Article XVI of the State Constitution and the Education Code.

General Obligation Bond Election of 2016

Pursuant to provisions of State law, the District Board adopted a resolution calling for an election to authorize the issuance of \$19.7 million in aggregate principal amount of general obligation bonds for authorized school purposes. On November 8, 2016, at an election duly held pursuant to the law (the “2016 Election”), more than 55 percent of the qualified voters within the boundaries of the District voted to approve “Measure K” as follows:

“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?”

The Sacramento County Registrar of Voters and the San Joaquin County Registrar of Voters certified the results of the election as follows:

**General Obligation Bond Election of 2016
Galt Joint Union Elementary School District**

<u>County</u>	<u>Yes Votes</u>	<u>No Votes</u>
Sacramento	6,554	3,245
San Joaquin	<u>357</u>	<u>307</u>
Total	6,911 (66.1%)	3,552 (33.9%)

Source: Sacramento County Registrar of Voters and San Joaquin County Registrar of Voters.

The Bonds represent the first series of bonds to be issued by the District under the authorization of the 2016 Election. Upon the issuance of the Bonds, the District will have \$10.1 million* in unissued authorization remaining under the 2016 Election. See “DISTRICT FINANCIAL INFORMATION—Long-Term Borrowings” herein.

Form and Registration

The Bonds are being issued as fully registered bonds, without coupons, in book-entry form only. Pursuant to the Resolution and the Paying Agent Agreement, the Paying Agent will keep and maintain for and on behalf of the District, books (the “Bond Register”) for recording the owners of the Bonds (the “Registered Owners”), the transfer, exchange, and replacement of the Bonds, and the payment of the principal of and interest on the Bonds to the Registered Owners.

The Bonds are initially issued and registered in the name of Cede & Co., as nominee of DTC acting as securities depository for the Bonds. Purchases of the Bonds by Beneficial Owners will be made by or through a DTC participant, and ownership interests in the Bonds will be recorded as entries on the books of said participants. 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 the Paying Agent to DTC for subsequent disbursement to Beneficial Owners by or through a DTC participant. Except in the event that use of this book-entry system is discontinued for the Bonds, Beneficial Owners will not receive physical certificates representing their ownership interests in the Bonds. See “APPENDIX E—DTC BOOK-ENTRY ONLY SYSTEM” attached hereto.

So long as the Bonds are registered in the name of Cede & Co., as nominee for DTC, references in this Official Statement to the Registered Owners means Cede & Co., and does not mean the purchasers or Beneficial Owners of the Bonds.

* Preliminary; subject to adjustment

Payment of Principal and Interest

The Bonds are dated their date of delivery and mature on August 1 in each of the years and in the amounts set forth on the inside cover page hereof. The Bonds are issued in denominations of \$5,000 principal amount, or any integral multiple thereof. Interest on the Bonds is computed from their dated date on the basis of a 360-day year comprised of twelve 30-day months. Interest on the Bonds is payable semiannually on February 1 and August 1 of each year (each, an “Interest Payment Date”), commencing February 1, 2018, at the annual interest rates shown on the inside cover page hereof.

Each Bond bears interest from the Interest Payment Date next preceding the date of authentication thereof, unless (i) it is authenticated as of a day during the period after the fifteenth day of the calendar month immediately preceding an Interest Payment Date (the “Regular Record Date”) to that Interest Payment Date, both dates inclusive, in which event it will bear interest from such Interest Payment Date, or (ii) it is authenticated on or before January 15, 2018, in which event it bears interest from its date of delivery, provided that, if, at the time of authentication of a Bond, interest is in default thereon, such Bond bears interest from the Interest Payment Date to which interest has previously been paid or made available for payment.

The principal or redemption price of and interest on the Bonds is payable in lawful money of the United States of America by wire transfer on each payment date to Cede & Co., so long as Cede & Co. is the sole Registered Owner. In the event the book-entry system is no longer in use, the principal or redemption price of the Bonds is payable upon surrender thereof at maturity or earlier redemption at the principal office of the Paying Agent, and payments of interest will be made on each Interest Payment Date by check of the Paying Agent sent to the Registered Owner thereof, provided however, that payment of interest may be by wire transfer of immediately available funds to any Registered Owner in the aggregate principal amount of \$1,000,000 or more who has provided the Paying Agent with wire transfer instructions to an account within the United States of America as of the close of business on the Regular Record Date.

Redemption Provisions

Optional Redemption. The Bonds maturing on or before August 1, 2026 are not subject to optional redemption prior to their respective maturity dates. The Bonds maturing on or after August 1, 2027 are subject to redemption, at the option of the District, as a whole or in part among maturities on such basis as designated by the District and by lot within each maturity, from any source of available funds, on any date on or after August 1, 2026, at a redemption price equal to the principal amount of the Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Bond maturing by its term on August 1, 20__ (the “20__ Term Bond”) is subject to mandatory redemption by the District prior to its maturity, in part, by lot, from mandatory redemption payments in the following amounts and on the following dates, at the principal amount thereof on the date fixed for redemption without premium, but which amounts will be reduced by the principal amount of such 20__ Term Bond optionally redeemed.

**Mandatory Redemption Schedule
20__ Term Bond**

<u>Year Ending (August 1)</u>	<u>Mandatory Sinking Account Payment</u>
20__	\$ __,000
20__	__,000
20__ ¹	__,000

¹Indicates maturity of the \$ __,000 20__ Term Bond.

Selection of Bonds for Redemption. In the case of any redemption at the election of the District of less than all the outstanding Bonds, the District will, at least 45 days prior to the date fixed for redemption (unless a shorter notice is satisfactory to the Paying Agent) notify the Paying Agent in writing of such redemption date and of the principal amount of Bonds to be redeemed. If less than all the outstanding Bonds of any maturity are to be redeemed, not more than 60 days prior to the redemption date, the Paying Agent will select the particular Bonds to be redeemed from the outstanding Bonds of such maturity that have not previously been called for redemption, in minimum amounts of \$5,000 principal amount, by lot in any

manner that the Paying Agent in its sole discretion deems appropriate and fair. For purposes of such selection, each \$5,000 principal amount will be deemed to be a separate Bond.

Notice of Redemption. The Paying Agent will mail notice of redemption not fewer than 30 nor more than 60 days prior to the redemption date by first-class mail, postage prepaid, to the respective Registered Owners of any Bonds designated for redemption at their addresses appearing on the Bond Register and will file such notice on the same day with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access ("EMMA") website. Each notice of redemption will contain: (i) the date of such notice; (ii) the series designation of the Bonds and date of issue of the Bonds; (iii) the redemption date; (iv) the redemption price; (v) the place or places of redemption (including the name and appropriate address or addresses of the Paying Agent); (vi) the CUSIP number (if any) of the maturity or maturities; and (vii) if less than all of any such maturity, the distinctive certificate numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each notice will either (i) explicitly state that the proposed redemption is conditioned on there being on deposit on the redemption date sufficient money to pay in full the redemption price of the Bonds or portions thereof to be redeemed; or (ii) be sent only if sufficient money to pay in full the redemption price of the Bonds or portions thereof to be redeemed is on deposit. Each such notice will also (i) state that on said date there will become due and payable on each of said Bonds the redemption price thereof or of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption; (ii) state that from and after such redemption date interest thereon shall cease to accrue; and (iii) require that such Bonds be then surrendered at the address or addresses of the Paying Agent specified in the redemption notice. Neither the District nor the Paying Agent has any responsibility for any defect in the CUSIP number that appears on any Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the District nor the Paying Agent is liable for any inaccuracy in such numbers.

Defects in Notice or Procedure. Failure by the Paying Agent to file notice with the MSRB or failure of any Registered Owner to receive notice, or any defect in any such notice, will not affect the sufficiency of the proceedings for redemption. Failure by the Paying Agent to mail or otherwise deliver notice to any one or more of the respective Registered Owners of any Bonds designated for redemption will not affect the sufficiency of the proceedings for redemption with respect to the Registered Owner or Owners to whom such notice was mailed or delivered.

Right to Rescind Notice. The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the Registered Owners of the Bonds so called for redemption. Any optional redemption and notice thereof will be rescinded if for any reason on the date fixed for redemption moneys are not available in the fund held by the Paying Agent for the payment of principal of and interest on the Bonds to the Bondholders (the "Debt Service Fund") or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption will be given in the same manner in which notice of redemption was originally given. The actual receipt by the Registered Owner of any Bond of notice of such rescission is not a condition precedent to rescission, and failure to receive such notice or any defect in such notice will not affect the validity of the rescission.

Deposit of Redemption Price. Prior to any redemption date, the District will deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds that are to be redeemed on that date. Such money will be held for the benefit of the persons entitled to such redemption price.

Effect of Redemption. When notice of redemption has been given substantially as provided by the Paying Agent Agreement and moneys for payment of the redemption price of the Bonds called for redemption are held by the Paying Agent, on the redemption date designated in such notice (i) the Bonds so to be redeemed will become due and payable at the redemption price specified in such notice; (ii) interest on such Bonds will cease to accrue; (iii) such Bonds will cease to be entitled to any benefit or security under the Paying Agent Agreement; and (iv) the Registered Owners of such Bonds will have no rights in respect thereof except to receive payment of said redemption price. Upon surrender of any such Bond for redemption in accordance with said notice, such Bond will be paid by the Paying Agent at the redemption price.

Bonds Redeemed in Part. Upon surrender of any Bond redeemed in part only, the District will execute and the Paying Agent will authenticate, if required, and deliver to the Registered Owner thereof, at the expense of the District, a new Bond or Bonds of the same series of authorized denominations, and of the same maturity, equal in aggregate principal amount to the unredeemed portion of the Bond surrendered.

Transfer and Exchange

If the book-entry system as described herein is no longer used with respect to the Bonds, the provisions in the Paying Agent Agreement summarized below will govern the registration, transfer, and exchange of the Bonds. See “APPENDIX E—DTC BOOK-ENTRY ONLY SYSTEM” attached hereto.

Upon surrender of a Bond for transfer at the Paying Agent’s office, the District will execute and, if required, the Paying Agent will authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same series, tenor, and maturity and for an equivalent aggregate principal amount.

Bonds may be exchanged for an equivalent aggregate principal amount of Bonds of other authorized denominations of the same series, tenor and maturity upon surrender of the Bonds for exchange at the Paying Agent’s office. Upon surrender of Bonds for exchange, the District will execute and, if required, the Paying Agent will authenticate and deliver the Bonds that the Bondholder making the exchange is entitled to receive.

Every Bond presented or surrendered for transfer or exchange must be accompanied by a written instrument of transfer, in a form satisfactory to the Paying Agent, that is duly executed by the Registered Owner or by his attorney duly authorized in writing. All fees and costs of any transfer or exchange of Bonds will be paid by the Bondholder requesting such transfer or exchange.

All Bonds issued upon any transfer or exchange of Bonds will be the valid obligations of the District, evidencing the same debt, and entitled to the same security and benefits under the Paying Agent Agreement, as the Bonds surrendered upon such transfer or exchange. All Bonds surrendered upon any exchange or transfer will be promptly cancelled by the Paying Agent.

The Paying Agent is not required to transfer or exchange (i) Bonds during the period established by the Paying Agent for the selection of Bonds for redemption; or (ii) any Bond that has been selected for redemption in whole or in part, except the unredeemed portion of such Bond selected for redemption in part, from and after the day that such Bond has been selected for redemption in whole or in part.

Defeasance

Upon the deposit with the Paying Agent, escrow agent, or other fiduciary, at or before maturity, of money or securities in the necessary amount as provided in the Paying Agent Agreement to pay or redeem any outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption has been given or provision satisfactory to the Paying Agent has been made for the giving of such notice, then all liability of the District in respect of such Bond will cease, terminate, and be completely discharged, except that thereafter (i) the Registered Owner thereof will be entitled to payment of the principal amount or redemption price of and interest on such Bond by the District and the District will remain liable for such payment, but only out of such money or securities deposited with the Paying Agent, escrow agent, or other fiduciary for their payment; and (ii) the Registered Owner thereof will retain its rights of transfer or exchange of Bonds.

Unclaimed Moneys

Subject to applicable escheatment laws, any moneys held by the Paying Agent for the payment of the principal amount or redemption price of or interest on any Bonds and remaining unclaimed for three years after the date when such Bonds have become due and payable (whether at maturity or upon call for redemption), if such moneys were so held at such date, or three years after the date of deposit of such moneys if deposited after the date when such Bonds became due and payable, will be repaid to the District. Thereafter, Registered Owners will look solely to the District for the payment of such funds and the Paying Agent will have no further liability for such funds.

Paying Agent

Zions Bank, a division of ZB, National Association will act as the transfer agent, bond registrar, authenticating agent and paying agent for the Bonds. As long as DTC is the registered owner of the Bonds and DTC’s book-entry method is used for the Bonds, the Paying Agent will send any notice of redemption or other notices to owners only to DTC. Any failure of DTC

to advise any DTC participant or of any DTC participant to notify any Beneficial Owner of any such notice and its content or effect will not effect the validity or sufficiency of the proceedings relating to the redemption of the Bonds called for redemption or of any other action premised on such notice. The Paying Agent, the District and the Underwriter have no responsibility or liability for any aspects of the records relating to, or payments made on account of, beneficial ownership, or for maintaining, supervising, or reviewing any records relating to beneficial ownership of interests in the Bonds.

PLAN OF FINANCE

Application and Investment of Bond Proceeds

A portion of the proceeds of the sale of the Bonds, exclusive of any premium, will be transferred to the Sacramento County Director of Finance (the "County Director of Finance") for deposit in the Galt Joint Union Elementary School District, General Obligation Bonds, Building Fund (the "Building Fund") to be created and established by the District pursuant to Education Code Section 15146(g). Moneys deposited in the Building Fund will be used solely for the purpose for which the Bonds are being issued. Interest earned on moneys held in the Building Fund will be retained in the Building Fund. Any proceeds of the sale of the Bonds deposited in the Building Fund not needed for the purposes of the Bonds will be transferred to the Galt Joint Union Elementary School District General Obligation Bonds Tax Collection Fund (the "Tax Collection Fund") maintained by the County Director of Finance in the Sacramento County Treasury (the "County Treasury") pursuant to Education Code Section 15251 to be applied to the payment of principal of and interest on the Bonds.

A portion of the proceeds of the sale of the Bonds, exclusive of any premium, will be retained by the Paying Agent for deposit into a fund to be created and established with the Paying Agent to pay costs associated with the issuance of the Bonds (the "Costs of Issuance Fund"). Moneys deposited in the Costs of Issuance Fund will be used solely for the payment of costs of issuance of the Bonds and will be invested pursuant to the terms of the Paying Agent Agreement. Any proceeds of the sale of the Bonds deposited in the Costs of Issuance Fund not needed to pay costs of issuance of the Bonds will be transferred to the Debt Service Fund.

The premium, if any, received by the District from the sale of the Bonds will be transferred to the County Director of Finance for deposit in the Tax Collection Fund. Moneys deposited in the Tax Collection Fund will be used solely for the payment of principal of and interest on the general obligation bonds of the District. Interest earned on moneys held in the Tax Collection Fund will be retained in the Tax Collection Fund. The Counties are empowered and obligated to levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), in order to provide sufficient funds for repayment of principal of and interest on the Bonds when due, and the proceeds of such tax, when collected, will be placed in the Tax Collection Fund. Any moneys remaining in the Tax Collection Fund after the principal of and interest on the Bonds have been paid will be used to pay other general obligation bonds of the District or, if there are no other general obligation bonds of the District outstanding, will be transferred to the general fund of the District (the "General Fund") pursuant to Education Code Section 15234.

Sources and Uses of Funds

The sources and uses of funds in connection with the sale and delivery of the Bonds are set forth in the following table.

**Sources and Uses of Funds
General Obligation Bonds, Election of 2016, Series 2017**

SOURCES OF FUNDS	
Par Amount of Bonds	\$
Net Original Issue Premium	
TOTAL SOURCES OF FUNDS	_____ \$
USES OF FUNDS	
Building Fund	\$
Tax Collection Fund	
Costs of Issuance Fund ¹	
Underwriter's Discount	
TOTAL USES OF FUNDS	_____ \$

¹The Costs of Issuance Fund will be used to pay costs of issuance of the Bonds including fees and expenses of Bond Counsel, the Municipal Advisor, the Paying Agent, the rating fee and certain other expenses related to the issuance of the Bonds.

Investment of Moneys

Under State law, the District is generally required to deposit all moneys received from any source into the County Treasury to be held on behalf of the District. All funds held by the County Director of Finance in the Building Fund and the Tax Collection Fund are expected to be invested at the sole discretion of the County Director of Finance, on behalf of the District, in such investments as are authorized by Government Code Sections 16429.1, 53601 and 53635 and by the Sacramento County Annual Investment Policy of the Pooled Investment Fund (the "County Investment Policy") as either may be amended or supplemented from time to time. See "COUNTY OF SACRAMENTO POOLED INVESTMENT FUND" herein and "APPENDIX D—COUNTY OF SACRAMENTO ANNUAL INVESTMENT POLICY" attached hereto for a description of the permitted investments under the County Investment Policy.

Debt Service Schedules

Scheduled debt service on the Bonds (without regard to optional redemption) is shown in the following table.

**Debt Service Schedule
General Obligation Bonds, Election of 2016, Series 2017**

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Semiannual Debt Service</u>	<u>Annual Debt Service</u>
February 1, 2018	\$	\$	\$	\$
August 1, 2018				
February 1, 2019				
August 1, 2019				
February 1, 2020				
August 1, 2020				
February 1, 2021				
August 1, 2021				
February 1, 2022				
August 1, 2022				
February 1, 2023				
August 1, 2023				
February 1, 2024				
August 1, 2024				
February 1, 2025				
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August 1, 2040				
February 1, 2041				
August 1, 2041				
February 1, 2042				
August 1, 2042				
February 1, 2043				
August 1, 2043				
February 1, 2044				
August 1, 2044				
February 1, 2045				
August 1, 2045				
February 1, 2046				
August 1, 2046				
Total	\$	\$	\$	\$

Upon issuance of the Bonds, scheduled debt service (without regard to optional redemption) on outstanding general obligation bond debt of the District is shown in the following table. See “DISTRICT FINANCIAL INFORMATION—Long-Term Borrowings” for more information on the outstanding bonded debt of the District.

**Outstanding General Obligation Bond Debt Service
Galt Joint Union Elementary School District**

Year Ended June 30	Outstanding General Obligation Bonds	General Obligation Bonds, Election of 2016, Series 2017	Total General Obligation Bond Debt Service
2018	\$673,956	\$	\$
2019	707,500		
2020	740,166		
2021	776,906		
2022	812,671		
2023	842,510		
2024	886,325		
2025	928,970		
2026	1,100,000		
2027	1,150,000		
2028	--		
2029	--		
2030	--		
2031	--		
2032	--		
2033	--		
2034	--		
2035	--		
2036	--		
2037	--		
2038	--		
2039	--		
2040	--		
2041	--		
2042	--		
2043	--		
2044	--		
2045	--		
2046	--		
2047	--		

SECURITY AND SOURCE OF PAYMENT

Introduction

The Bonds are general obligation bonds of the District, payable solely from *ad valorem* property taxes levied and collected by Sacramento County and San Joaquin County for the payment of principal of and interest on the Bonds. The Board of Supervisors of Sacramento County (the “County Board”) and the Board of Supervisors of San Joaquin County are empowered and obligated to levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates) in order to provide sufficient funds for repayment of principal of and interest on the Bonds when due. Although the Counties are obligated to levy and collect the *ad valorem* tax for the payment of the Bonds, the Bonds are not a debt of either of the Counties.

The proceeds of such *ad valorem* tax, when collected, will be placed in the Tax Collection Fund, which *ad valorem* taxes, together with the amounts on deposit in the Tax Collection Fund, are irrevocably pledged for the payment of principal of and interest on the Bonds when and as the same fall due. The Counties will levy such *ad valorem* tax in accordance with Education Code Section 15250 *et seq.* and cause the proceeds from such levy to be deposited to the Tax Collection Fund. The District will direct the County Director of Finance to transfer, at least one business day prior to each Interest Payment Date, from the Tax Collection Fund to the Paying Agent for deposit in the Debt Service Fund, an amount sufficient to pay the principal and interest becoming due and payable on the next succeeding Interest Payment Date.

Various officers of the Counties are responsible for the performance of each function in the property taxation system. Property tax revenues result from the application of the appropriate tax rate to the total net assessed value of taxable property in the District. All property, including real, personal and intangible property, is taxable, unless granted an exemption by the State Constitution or United States law. Under the State Constitution, exempt classes of property include household and personal effects, intangible personal property (such as bank accounts, stocks and bonds), business inventories, and property used for religious, hospital, scientific and charitable purposes. The California Legislature (the “State Legislature”) may create additional exemptions for personal property, but not for real property. Taxes on property located in a school district with boundaries extending into more than one county are administered separately by each county in which the property is located (the District is located in both Sacramento County and San Joaquin County). In such school districts, the rate of tax is determined by the school district’s primary county (the District’s primary county is Sacramento County), and the primary county directs the secondary county to place the tax on the tax rolls. Taxes collected by the secondary county are sent to the primary county.

Taxes on real property located within the District are assessed and collected by Sacramento County and San Joaquin County in the same manner, at the same time, and in the same installments as other *ad valorem* taxes on real property located in Sacramento County and San Joaquin County, respectively. In addition to general obligation bonds issued by the District, other entities with jurisdiction in or overlapping with the District may issue debt payable from *ad valorem* taxes also levied on parcels in the District. Such taxes have the same priority, become delinquent at the same times and in the same proportionate amounts, and bear the same proportionate penalties and interest after delinquency as *ad valorem* taxes levied for the payment of the Bonds and other general obligation bonds of the District.

In no event is the District obligated to pay principal of and interest and redemption premium, if any, on the Bonds from any source of funds other than *ad valorem* taxes. However, nothing in the Resolution or the Paying Agent Agreement prevents the District from making advances of its moneys, howsoever derived, to any use or purpose permitted by law.

Statutory Lien on Ad Valorem Tax Revenues (Senate Bill 222)

All general obligation bonds issued and sold by or on behalf of a local agency in the State, including the Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax pursuant to Education Code Section 15251 and Government Code Section 53515, which became effective as of January 1, 2016 pursuant to Senate Bill 222. The lien automatically arises without the need for any action or authorization by the local agency or its governing board and is valid and binding from the time the bonds are executed and delivered. In addition, the revenues received pursuant to the levy and collection of the tax will be immediately subject to the lien, and the lien will automatically attach to the revenues and be effective, binding, and enforceable against the local agency, such as the District, as applicable, its successor, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for physical delivery, recordation, filing, or further tax.

Assessed Valuation of Property

The county assessor of Sacramento County and the county assessor of San Joaquin County (together, the “County Assessors”) must annually assess all taxable property in Sacramento County and San Joaquin County, respectively (except for “utility” property, assessed by the State), to the person, business or legal entity owning, claiming, possessing or controlling the property on January 1, the lien date. Property assessed by the County Assessors is subject to the reappraisal provisions set forth in the State Constitution. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND EXPENDITURES—Article XIII A of the State Constitution” herein. The duties of the County Assessors are to discover all assessable property, to inventory and list all taxable property, to value the property, and to enroll the property on the local assessment roll. Locally assessed taxable property is classified as either “secured” or “unsecured” and is listed accordingly on separate parts of the assessment roll. The secured roll contains real property sufficient, in the opinion of

the County Assessors, to secure the payment of the taxes as a lien on real property. All other property is unsecured and assessed on the unsecured roll. The District can make no predictions as to the changes in assessed values that might result from pending or future appeals of assessed valuation by taxpayers or temporary reductions in assessed valuation allowed under the State Constitution. Any reduction in aggregate District assessed valuation will cause the tax rate necessary to repay the Bonds to increase accordingly. Any refund of paid taxes triggered by a successful assessment appeal will be debited by the respective county treasurer against all taxing agencies receiving tax revenues, including the District.

The secured roll also includes certain “utility” property, entered on the utility roll, located in Sacramento County and San Joaquin County but assessed by the State Board of Equalization (the “SBE”) rather than the County Assessors. Such property includes property owned or used by State-regulated transportation and communications utilities such as railways, telephone and telegraph companies, companies transmitting or selling gas or electricity, and pipelines, flumes, canals and aqueducts lying within two or more counties. Property assessed by the SBE is not subject to the provisions of Proposition 13 (1978) and is annually reappraised at its market value as of January 1 and then allocated by formula among all the taxing jurisdictions in Sacramento County and San Joaquin County, respectively, including the District. The growth or decline in the assessed valuation of utility property is shared by all jurisdictions in Sacramento County and San Joaquin County, respectively. The District can make no predictions regarding the impact of the reorganization of regulated utilities and the transfer of electricity-generating property to non-utility companies on the amount of tax revenue collected. In general, the transfer of State-assessed property located in the District to non-utility companies will increase the assessed value of property in the District, since the property’s value will no longer be divided among taxing jurisdictions in Sacramento County and/or San Joaquin County; the transfer of property located and taxed in the District to a State-assessed utility will, in general, reduce the assessed value in the District, as the value is shared among the other jurisdictions in Sacramento County and/or San Joaquin County.

The greater the total assessed value of all taxable property in the District, the lower the tax rate necessary to generate taxes sufficient to pay scheduled debt service on the Bonds. Shown in the following table are ten years of the District’s historical assessed valuation. Total secured assessed value includes net local secured, secured homeowner exemption and utility value. Total unsecured assessed value include net local unsecured and unsecured homeowner exemption value.

**Historical Total Secured and Unsecured Assessed Valuation
Galt Joint Union Elementary School District**

Year Ended <u>June 30</u>	Total Secured <u>Assessed Value</u>	Total Unsecured <u>Assessed Value</u>	Total <u>Assessed Value</u>	Percentage <u>Change</u>
2008	\$2,360,599,856	\$46,130,043	\$2,406,729,899	--
2009	2,333,383,913	47,645,655	2,381,029,568	(1.07%)
2010	2,101,845,548	56,173,626	2,158,019,174	(9.37)
2011	2,052,569,917	58,054,129	2,110,624,046	(2.20)
2012	1,972,857,049	56,413,810	2,029,270,859	(3.85)
2013	1,868,558,040	56,089,698	1,924,647,738	(5.16)
2014	2,004,977,953	54,120,435	2,059,098,388	6.99
2015	2,185,866,949	65,361,760	2,251,228,709	9.33
2016	2,343,700,561	77,570,311	2,421,270,872	7.55
2017	2,491,908,330	79,319,640	2,571,227,970	6.19

Source: Sacramento County Assessor and San Joaquin County Assessor.

The District may not issue bonds in excess of 1.25 percent of the assessed valuation of taxable property within its boundaries. The District’s gross bonding capacity in fiscal year 2016-17 is approximately \$32.1 million. Upon issuance of the Bonds, the District will have remaining bonding capacity of approximately \$16.4 million .

* Preliminary; subject to adjustment

Set forth in the following table is the historical assessed valuation by county for the District.

**Historical Total Assessed Valuation by County
Galt Joint Union Elementary School District**

<u>Year Ended June 30</u>	<u>Sacramento County Assessed Value</u>	<u>Percent of Total</u>	<u>San Joaquin County Assessed Value</u>	<u>Percent of Total</u>	<u>Total Assessed Value</u>
2008	\$2,206,872,757	91.7%	\$199,857,142	8.3%	\$2,406,729,899
2009	2,184,260,715	91.7	196,768,853	8.3	2,381,029,568
2010	1,947,222,837	90.2	210,796,337	9.8	2,158,019,174
2011	1,907,738,982	90.4	202,885,064	9.6	2,110,624,046
2012	1,830,311,748	90.2	198,959,111	9.8	2,029,270,859
2013	1,725,465,248	89.7	199,182,490	10.3	1,924,647,738
2014	1,854,714,085	90.1	204,384,303	9.9	2,059,098,388
2015	2,043,428,479	90.8	207,800,230	9.2	2,251,228,709
2016	2,186,416,667	90.3	234,854,205	9.7	2,421,270,872
2017	2,326,332,819	90.5	244,895,151	9.5	2,571,227,970

Source: Sacramento County Assessor and San Joaquin County Assessor.

Shown in the following table is a distribution of taxable real property located in the District by principal purpose for which the land is used along with the local secured assessed valuation (excludes homeowners' exemption) and number of parcels for each use for fiscal year 2016-17.

**Assessed Valuation and Parcels by Land Use
Galt Joint Union Elementary School District**

	2016-17 <u>Assessed Valuation</u> ¹	Percent of <u>Total</u>	Number of <u>Parcels</u>	Percent of <u>Total</u>
Non-Residential:				
Agricultural	\$170,375,136	6.84%	498	4.94%
Commercial	127,682,659	5.13	105	1.04
Vacant Commercial	14,590,086	0.59	65	0.65
Office Building	15,992,994	0.64	31	0.31
Industrial	126,596,971	5.08	69	0.69
Vacant Industrial	6,877,259	0.28	34	0.34
Recreational	3,939,618	0.16	7	0.07
Government/Social/Institutional	7,992,948	0.32	40	0.40
Miscellaneous	<u>1,819,944</u>	<u>0.07</u>	<u>154</u>	<u>1.53</u>
Subtotal Non-Residential	\$475,867,615	19.10%	1,003	9.96%
Residential:				
Single Family Residence	\$1,865,954,480	74.91%	7,909	78.52%
Condominium/Townhouse	2,827,840	0.11	36	0.36
Mobile Home	19,745,472	0.79	295	2.93
Mobile Home Park	12,412,190	0.50	5	0.05
2-4 Residential Units	51,943,183	2.09	211	2.09
5+ Residential Units/Apartments	24,086,797	0.97	31	0.31
Vacant Residential	<u>38,174,895</u>	<u>1.53</u>	<u>582</u>	<u>5.78</u>
Subtotal Residential	\$2,015,144,857	80.90%	9,069	90.04%
Total	\$2,491,012,472	100.00%	10,072	100.00%

¹Local secured assessed valuation, excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Tax Rates

The State Constitution permits the levy of an *ad valorem* tax on taxable property not to exceed one percent of the property's full cash value, plus the amount necessary to make annual payments due on general obligation bonds or other indebtedness incurred prior to July 1, 1978, any bonded indebtedness for the acquisition or improvement or real property approved by a two-thirds majority of voters on or after July 1, 1978, and certain bonded indebtedness for school facilities approved by 55 percent of the voters. The Sacramento County Auditor-Controller (the "County Auditor-Controller") computes the additional rate of tax necessary to pay such scheduled debt service, presents the tax rates for all taxing jurisdictions in Sacramento County to the County Board and directs the San Joaquin County Auditor-Controller to place the tax on the tax rolls in San Joaquin County.

The tax rate necessary to pay debt service in a given year largely depends on the net assessed value of taxable property in that year. The net assessed value of taxable property may be affected by several factors, such as a general market decline in land values, reclassification of property to a class exempt from taxation, such as property owned by State and local agencies, or property used for certain educational, hospital, charitable or religious purposes, or the destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, fire, drought, toxic dumping, *etc.* Any of these instances could cause a reduction in the net assessed value of taxable property within the District, necessitating a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the Bonds. Issuance of additional authorized bonds in the future might also cause the tax rate to increase.

One factor in the ability of taxpayers to pay additional taxes for general obligation bonds is the cumulative rate of tax. The following table shows *ad valorem* property tax rates per \$100 of assessed value for the last five years in a typical tax rate area of the District (TRA 5-030). The fiscal year 2016-17 assessed valuation of TRA 5-030 is \$364,816,394, approximately 14.19 percent of the total assessed value of taxable property in the District.

**Typical Total Tax Rates per \$100 of Assessed Valuation
TRA 5-030
Galt Joint Union Elementary School District**

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
General Tax Rate	\$1.00000	\$1.00000	\$1.00000	\$1.00000	\$1.00000
Galt Joint School District	0.03030	0.03320	0.02630	0.02130	0.02540
Galt Joint Union High School District	0.05950	0.05900	0.04450	0.03430	0.05360
San Joaquin Delta Community College District	<u>0.02020</u>	<u>0.01940</u>	<u>0.02330</u>	<u>0.01980</u>	<u>0.01800</u>
Total Tax Rate	\$1.11000	\$1.11160	\$1.09410	\$1.07540	\$1.09700

Source: California Municipal Statistics, Inc.

The more property (by assessed value) that is owned by a single taxpayer, the more tax collections are exposed to weakness in the taxpayer's financial situation and their ability or willingness to pay property taxes. In fiscal year 2016-17, no single taxpayer owned more than 1.22 percent of the total secured taxable property in the District. However, each taxpayer listed is a unique name on the tax rolls. The District cannot determine from assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the list of largest taxpayers identified in the following table.

The 20 taxpayers in the District with the greatest combined secured assessed valuation of taxable property on the fiscal year 2016-17 tax roll own property that comprises 8.56 percent of the local assessed valuation of secured property in the District. These taxpayers, ranked by aggregate assessed value of taxable property as shown on the fiscal year 2016-17 secured tax roll and the amount of each owner's assessed valuation for all taxing jurisdictions within the District are shown in the following table.

**Largest Taxpayers
Galt Joint Union Elementary School District**

<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2016-17 Assessed Valuation</u>	<u>Percent of Total¹</u>
1. Cardinal CG Co.	Industrial	\$30,343,803	1.22%
2. Guttridge & Taylor LLC	Commercial	21,811,895	0.88
3. Liberty Ranch LLC	Agricultural	20,539,822	0.82
4. Walmart Stores Inc.	Commercial	15,800,000	0.63
5. EL & EL Wood Products Corporation	Industrial	12,907,278	0.52
6. Jahant Wood Cellars LP	Agricultural	12,368,319	0.50
7. Chiu Family Revocable Trust	Commercial	11,578,711	0.46
8. Brovelli Woods LLC	Agricultural	11,247,700	0.45
9. 85 Enterprise Real Estate LLC	Industrial	8,321,878	0.33
10. Kurt A. and Sandra R. Kautz Trust	Agricultural	8,211,780	0.33
11. Gallo Vineyards Inc.	Agricultural	7,468,402	0.30
12. FJ Venture Partnership	Agricultural	7,058,976	0.28
13. S&P Vineyards	Agricultural	6,948,894	0.28
14. Beldt Family Trust/Beldt Enterprises Inc.	Mobile Home Park	6,775,831	0.27
15. DKCR Properties Inc.	Industrial	6,101,393	0.24
16. Air Products & Chemicals Inc.	Industrial	5,801,768	0.23
17. Save Mart Supermarkets	Commercial	5,397,291	0.22
18. Kenneth and Lori Beer	Agricultural	5,082,991	0.20
19. Paul S. and Julia L. Ichord	Commercial	4,895,215	0.20
20. LRF Properties LLC	Commercial	<u>4,660,000</u>	<u>0.19</u>
		\$213,321,947	8.56%

¹Local secured assessed valuation of the District as of fiscal year 2016-17 was \$2,491,012,472.

Source: California Municipal Statistics, Inc.

Another factor in the ability of taxpayers to pay additional taxes for general obligation bonds is the number of other taxes already imposed by other taxing jurisdictions in which a property is included. Contained within the District's boundaries are numerous overlapping local entities providing public services which may have outstanding long-term obligations in the form of general obligation, lease revenue and special assessment bonds. Such obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The following table shows long-term obligations sold in the public credit markets by the public agencies listed. The first column in the table names each public agency which has outstanding debt as of May 1, 2017 and whose territory overlaps the District in whole or in part. The second column shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (not shown) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District. Property owners within the District may be subject to other special taxes and assessments levied by other taxing authorities providing services within the District. Such non-*ad valorem* special taxes and assessments (which are not levied to fund debt service) are not represented in the statement of direct and overlapping bonded debt.

The statement of direct and overlapping bonded debt relating to the District set forth below was prepared by California Municipal Statistics, Inc. It has been included for general information purposes only. The District has not reviewed the statement for completeness or accuracy and makes no representations in connection with the statement.

**Statement of Direct and Overlapping Bonded Debt (As of May 1, 2017)
Galt Joint Union Elementary School District**

<u>2016-17 Assessed Valuation:</u> \$2,571,227,970	Percent	Debt as of
	<u>Applicable</u>	<u>May 1, 2017</u>
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>		
San Joaquin Delta Community College District	3.543%	\$4,485,968
Galt Joint Union High School District	67.818	17,073,182
Galt Schools Community Facilities District No. 1	100.000	6,530,000
City of Galt Community Facilities District No. 1988-1	100.000	1,255,000
City of Galt 1915 Act Bonds	100.000	1,158,000
Galt Joint Union School District	100.000	6,128,684 ¹
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$36,630,834
<u>OVERLAPPING GENERAL FUND DEBT:</u>		
Sacramento County General Fund Obligations	1.640%	\$3,872,192
Sacramento County Pension Obligations	1.640	15,481,866
Sacramento County Board of Education Certificates of Participation	1.640	93,070
San Joaquin County Certificates of Participation	0.368	459,724
Cosumnes Community Services District Certificates of Participation	10.914	<u>2,617,177</u>
TOTAL OVERLAPPING GENERAL FUND DEBT		\$22,524,029
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>		\$12,560,000
 COMBINED TOTAL DEBT		 \$71,714,863 ²
<u>Ratios to 2016-17 Assessed Valuation:</u>		
Direct Debt (\$6,128,684)	0.24%	
Total Direct and Overlapping Tax and Assessment Debt	1.42%	
Combined Total Debt	2.79%	
<u>Ratios to Redevelopment Incremental Valuation (\$336,410,809):</u>		
Total Overlapping Tax Increment Debt	3.73%	

¹Excludes the Bonds to be sold.
²Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Tax Collections and Delinquencies

In both Sacramento County and San Joaquin County, property taxes are levied for each fiscal year on taxable real and personal property situated in the taxing jurisdiction assessed as of January 1, at which time the tax lien attaches. The tax collector of Sacramento County and the tax collector of San Joaquin County (together, the "County Tax Collectors") are presented with a tax roll created from the combined rolls of the respective county assessor and the SBE. The County Tax Collectors prepare and mail tax bills to taxpayers and collect the taxes.

Property taxes on the regular secured roll are due in two equal installments. The annual tax bill is mailed by November 1; the first installment is delinquent after December 10 and the second installment is delinquent after April 10. In San Joaquin County, delinquent taxes due in the first installment are subject to a ten percent penalty; delinquent taxes due in the second installment are subject to a ten percent penalty and a \$10 cost. In Sacramento County, delinquent taxes due on either installment are subject to penalty of ten percent and a \$15 cost. If taxes remain unpaid by July 1, the tax is deemed to be in

default. After five years, both Sacramento County and San Joaquin County generally have the power to sell tax-defaulted property that is not redeemed; proceeds from such sale are applied to the payment of the delinquent taxes.

Property taxes on the unsecured roll are due annually. The bills are mailed during July; taxes on the unsecured roll are due and, if unpaid, are delinquent on August 31, and thereafter subject to a ten percent penalty and additional collection costs in both Sacramento County and San Joaquin County. Upon delinquency, Sacramento County and San Joaquin County may use the following collection methods: filing of liens, filing of summary judgments, seizure and sale of personal property, or seizure of State tax refunds or State lottery winnings.

As long as the Teeter Plan, discussed below, remains in effect in both Sacramento County and San Joaquin County, the District will be credited with the full amount of the tax levy no matter the delinquency rate within the District. See “— Alternative Method of Tax Apportionment” herein.

The following table shows a five-year history of real property tax collections and delinquencies in the District.

**Secured Tax Charges and Delinquencies¹
Galt Joint Union Elementary School District**

<u>Year</u>	<u>Secured Tax Charge²</u>	<u>Amount Delinquent As of June 30</u>	<u>Percent Delinquent As of June 30</u>
2011-12	\$650,688.51	\$13,919.43	2.14%
2012-13	550,631.29	10,572.26	1.92
2013-14	653,627.86	8,436.72	1.29
2014-15	567,825.25	7,703.73	1.36
2015-16	492,402.11	7,418.38	1.51

¹Sacramento County and San Joaquin County portions combined.

²The District’s general obligation bond debt service levy only.

Source: California Municipal Statistics, Inc.

Alternative Method of Tax Apportionment

The Board of Supervisors of Sacramento County and the Board of Supervisors of San Joaquin County have both approved implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”) pursuant to the California Revenue and Taxation Code (the “Revenue and Taxation Code”) Section 4701 *et seq.* The Teeter Plan guarantees distribution to each local agency in each county an amount equal to 100 percent of the taxes levied on their behalf on the secured roll within such county, with such county retaining all penalties and interest affixed upon delinquent properties and redemptions of subsequent collections.

The cash position of the county treasurer of each county is protected by a special fund, known as the “Tax Loss Reserve Fund,” which accumulates moneys from interest and penalty collections. In any given fiscal year, when the amount in the Tax Loss Reserve Fund exceeds a specified amount as prescribed by law, such excess amounts may be credited for the remainder of that fiscal year to such county's general fund. Amounts required to be maintained in the Tax Loss Reserve Fund may be drawn on to the extent of the amount of uncollected taxes credited to each agency in advance of receipt.

The Teeter Plan is to remain in effect in a county unless the board of supervisors of such county orders its discontinuance or unless, prior to the commencement of any fiscal year of the county (which commences on July 1), the board of supervisors receives a petition for its discontinuance from two-thirds of the participating revenue districts in the county. The board of supervisors may also, after holding a public hearing on the matter, discontinue the procedures with respect to any tax levying agency or assessment levying agency in the county if the rate of secured tax delinquency in that agency in any year exceeds three percent of the total of all taxes and assessments levied on the secured rolls in that agency.

If the Teeter Plan were discontinued in either or both Counties, only those secured property taxes actually collected in that county would be allocated to political subdivisions, including the District. Further, the District’s tax revenues would be

subject to taxpayer delinquencies, and the District would realize the benefit of interest and penalties collected from delinquent taxpayers, pursuant to law.

COUNTY OF SACRAMENTO POOLED INVESTMENT FUND

This section provides a general description of the County Investment Policy and current portfolio holdings. The information set forth under this section relating to the Sacramento County Pooled Investment Fund has been obtained from the County Department of Finance and is believed to be reliable but is not guaranteed as to accuracy or completeness. The District makes no representation as to the accuracy or completeness of such information. Further information may be obtained by contacting the County of Sacramento, Office of the County Director of Finance, 700 H Street, Suite 1710, Sacramento, California 95814, telephone (916) 874-6744.

The County Director of Finance manages the Sacramento County Pooled Investment Fund (the "County Pool") in which certain funds of the County and certain funds of other participating entities are pooled and invested pending disbursement. General participants are those government agencies within the County, including the District, for which the County Director of Finance is statutorily designated as the custodian of such funds. The County Director of Finance is the *ex officio* treasurer of each of these participating entities, and such entities are legally required to deposit their cash receipts and revenues in the County Treasury. Under State law, withdrawals are allowed only to pay for expenses that have become due. The governing board of each school district and special district within the County may allow, by appropriate board resolution, certain withdrawals of non-operating funds for purposes of investing outside the County Pool. Some districts have from time to time authorized the County Director of Finance to purchase specified investments for certain district funds to mature on predetermined future dates when cash would be required for disbursements. Other local agencies, such as special districts and cities for which the County Director of Finance is not the statutorily designated fund custodian, may participate in the County Pool. Such participation is subject to the consent of the County Director of Finance and must be in accordance with State law.

Funds held in the County Pool are invested by the County Director of Finance in accordance with State law and the County Investment Policy, which is prepared by the County Director of Finance and approved by the County Board. A copy of the investment policy is attached hereto as "APPENDIX D." The County Director of Finance neither monitors investments for arbitrage compliance, nor does it perform arbitrage calculations. The District will maintain or cause to be maintained detailed records with respect to the applicable proceeds.

The County Pool is invested in order to earn a reasonable return while awaiting application for governmental purposes. The specific objectives for the County Pool are ranked in order of importance: safety of principal, liquidity, public trust, and maximum rate of return. The gross earned interest yield of the County Pool for the quarter ended December 31, 2016 was 0.950 percent, with weighted average maturity of 274 days.

A summary description of the composition of the County Pool from the quarterly investment report as of December 31, 2016 is provided in the following table.

**Sacramento County Pooled Investment Fund
As of December 31, 2016**

Type	Interest Rate	Trading Yield	Par Value	Book Value	Market Value	Percent of Market Value
Variable Rates (Muni)	0.845%	0.845%	\$34,716,430	\$34,716,430	\$34,716,430	0.96%
Federal Farm Credit Bonds (FFCB)	0.987	1.035	130,000,000	129,853,900	129,217,950	3.56
Federal Home Loan Banks	1.388	1.272	275,000,000	276,058,510	275,886,000	7.60
Federal National Mortgage Assoc.	1.314	1.278	235,000,000	235,070,870	234,448,500	6.46
FHLMC	1.157	0.960	205,000,000	206,474,530	205,171,150	5.65
Commercial Paper (Discount)	0.845	0.848	1,338,000,000	1,333,807,126	1,335,595,633	36.81
Certificates of Deposits/Thrift Notes	1.017	1.017	1,036,000,000	1,036,002,734	1,036,287,486	28.56
Supranationals	1.114	1.058	315,000,000	315,355,590	312,270,710	8.61
Passbook Accounts	<u>0.678</u>	<u>0.678</u>	<u>65,000,000</u>	<u>65,000,000</u>	<u>65,000,000</u>	<u>1.79</u>
County Pool Total	1.009%	0.984%	\$3,633,716,430	\$3,632,339,690	\$3,628,593,859	100.00%

Source: Sacramento County Department of Finance.

Neither the District nor the Underwriter has made an independent investigation of the investments in the County Pool and has made no assessment of the current County Investment Policy. The value of the various investments in the County Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the County Director of Finance, upon the approval by the County Board, may change the County Investment Policy at any time. Therefore, there can be no assurance that the values of the various investments in the County Pool will not vary significantly from the values described therein.

CITY AND COUNTY ECONOMIC PROFILE

The information in this section concerning the economy of the City of Galt and Sacramento County is provided as supplementary information only, and is not intended to be an indication of security for the Bonds. The Bonds are payable from the proceeds of an ad valorem tax, approved by the voters of the District pursuant to applicable laws and State Constitutional requirements, and required to be levied by Sacramento County and San Joaquin County on all taxable property in the District in an amount sufficient for the timely payment of principal of and interest on the Bonds. See "SECURITY AND SOURCE OF PAYMENT" herein.

General Information

Sacramento County, incorporated in 1850, is located in the central region of the State approximately 75 miles east of the City of San Francisco, encompassing approximately 994 square miles of the northern section of the Central Valley, the State's prime agricultural region. The County extends to the low delta lands in its southern portion, with direct access to the San Francisco Bay, and east to the Sierra Nevada foothills. The County has seven incorporated cities, the largest of which, the City of Sacramento, is the seat of government for the State. Based on data compiled by CoreLogic, Inc., the median sale price of a single-family home in the County was \$306,000 in February 2017, an increase of approximately 7.4 percent from \$285,000 in February 2016.

The City, incorporated in 1946 and comprised of approximately 6 square miles, is located approximately 20 miles south of the City of Sacramento along Highway 99, adjacent to the Northern California Delta Recreation Area and the Cosumnes River Preserve. Based on data compiled by CoreLogic, Inc., the median sale price of a single-family home in the City was \$373,250 in February 2017, an increase of approximately 28.7 percent from \$290,000 in February 2016.

Population

The following table displays estimated population data as of January 1 for the past five years for the City, the County of Sacramento and the State.

Historical Population City of Galt, County of Sacramento and State of California

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of Galt	24,242	24,474	24,674	25,061	25,450
County of Sacramento	1,440,456	1,452,666	1,465,654	1,481,803	1,495,297
State of California	37,881,357	38,239,207	38,567,459	38,907,642	39,255,883

Source: State Department of Finance.

Personal Income

Total personal income includes income from all sources including net earnings, dividends, interest and rent, and personal current transfer receipts received by residents in the region. *Per capita* personal income ("PCPI") was \$46,539 in the County of Sacramento in 2015, an increase of 5.4 percent from 2014 levels, compared to an increase of 5.4 percent Statewide and 3.7 percent nationally. The following table shows PCPI for the County of Sacramento as well as for the State for the past five years for which data is available.

***Per Capita Personal Income* County of Sacramento and State of California**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
County of Sacramento	\$40,053	\$41,268	\$42,162	\$44,139	\$46,539
State of California	45,820	48,312	48,471	50,988	53,741

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Labor Force and Employment

The following table contains a summary of the City's historical unemployment data for the past four years and for the current year as of the most recent month available, not seasonally adjusted.

Historical Unemployment City of Galt

	<u>Annual 2013</u>	<u>Annual 2014</u>	<u>Annual 2015</u>	<u>Annual 2016</u>	<u>February 2017¹</u>
Total Labor Force	10,900	10,900	11,000	11,100	11,100
Number of Employed	9,800	10,000	10,200	10,400	10,400
Number of Unemployed	1100	900	800	700	700
Unemployment Rate	10.4%	8.6%	7.1%	6.3%	6.1%

¹Preliminary.

Source: State Employment Development Department.

The following table contains a summary of the County of Sacramento’s historical unemployment data for the past four years and for the current year as of the most recent month available, not seasonally adjusted.

**Historical Unemployment
County of Sacramento**

	Annual <u>2013</u>	Annual <u>2014</u>	Annual <u>2015</u>	Annual <u>2016</u>	February <u>2017¹</u>
Total Labor Force	681,900	683,000	689,000	697,400	694,900
Number of Employed	621,400	633,300	647,600	660,100	659,100
Number of Unemployed	60,500	49,800	41,400	37,300	35,800
Unemployment Rate	8.9%	7.3%	6.0%	5.4%	5.2%

¹Preliminary.

Source: State Employment Development Department.

Employment by Industry

The following table shows the County of Sacramento's labor patterns by type of industry from 2011 through 2015 by annual average, not seasonally adjusted.

**Historical Employment by Industry
County of Sacramento**

<u>Title</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total, All Industries	565,800	576,600	587,800	599,800	615,600
Total Farm	2,500	2,600	2,600	2,600	2,600
Total Nonfarm	563,400	574,000	585,200	597,200	613,000
Goods Producing	43,100	44,900	48,100	49,900	51,800
Mining and Logging	200	200	200	200	200
Construction	22,600	23,600	27,100	28,500	30,700
Manufacturing	20,400	21,100	20,900	21,300	20,900
Durable Goods	12,900	13,800	14,000	14,200	14,200
Nondurable Goods	7,400	7,300	6,900	7,100	6,700
Service Providing	520,300	529,000	537,000	547,300	561,300
Trade, Transportation & Utilities	82,700	86,400	87,200	87,500	90,400
Wholesale Trade	14,900	15,900	15,500	15,200	15,000
Retail Trade	56,400	58,300	59,000	59,300	61,700
Transportation, Warehousing & Utilities	11,500	12,200	12,700	13,000	13,700
Information	12,600	11,800	11,000	10,200	10,100
Financial Activities	30,600	31,300	31,500	31,200	32,800
Finance & Insurance	23,200	23,500	23,500	23,000	24,400
Real Estate & Rental & Leasing	7,400	7,800	8,000	8,200	8,400
Professional & Business Services	78,300	83,900	86,100	88,100	87,800
Professional, Scientific & Technical Services	37,800	37,900	37,700	38,300	39,200
Management of Companies & Enterprises	7,200	7,200	7,700	7,600	7,300
Administrative & Support & Waste Services	33,300	38,800	40,700	42,100	41,300
Educational & Health Services	87,000	88,400	91,200	93,300	98,500
Leisure & Hospitality	49,500	51,300	53,700	56,000	58,200
Arts, Entertainment & Recreation	7,500	7,600	7,700	7,600	7,900
Accommodation & Food Services	42,000	43,700	46,000	48,400	50,300
Other Services	19,700	19,600	19,600	20,300	20,700
Government	159,900	156,400	156,700	160,700	162,700
Federal Government	10,200	10,000	9,800	9,900	10,000
State Government	84,000	82,400	83,600	86,500	87,400
Local Government	65,800	64,000	63,400	64,400	65,300

Figures may not foot due to rounding.

Source: State Employment Development Department.

Major Employers

The following table provides a list of ten major employers, corresponding number of employees and percent of employment in the City for fiscal year 2015-16.

**Major Employers
City of Galt**

<u>Employer</u>	<u>Number of Employees</u>	<u>Percent of Employment</u>
Galt Joint Union Elementary District	495	27.75%
Walmart	250	14.02
Galt High School District	232	13.01
City of Galt	190	10.64
Building Materials District	162	9.08
Cardinal Glass	152	8.52
Golden Living Center	109	6.11
Consolidated Fabricators	70	3.92
Savemart Supermarkets	63	3.53
McDonald's	<u>61</u>	<u>3.42</u>
Total	1,784	100.00%

Source: City of Galt, Comprehensive Annual Financial Report for the Year Ended June 30, 2016.

The following table provides a list of ten major employers, corresponding number of employees and percent of total employment in the County of Sacramento for fiscal year 2015-16.

**Major Employers
County of Sacramento**

<u>Employer</u>	<u>Number of Employees</u>	<u>Percent of Total County Employment</u>
UC Davis Health System	9,905	1.57%
Sutter / California Health Services	7,352	1.16
Dignity / Mercy Healthcare	6,212	0.98
Intel Corporation	6,000	0.95
Kaiser Permanente	5,421	0.86
Raley's Inc. / Bel Air	3,289	0.52
Apple Inc.	2,500	0.40
VSP Global	2,382	0.38
Health Net of California Inc.	2,299	0.36
Wells Fargo & Co.	<u>2,190</u>	<u>0.35</u>
Total	47,550	7.53%

Source: County of Sacramento, Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2016.

Commercial Activity

Total taxable sales during calendar year 2015 in the City were reported to be \$178,223,000, a 16.2 percent increase from the total taxable sales of \$153,386,000 reported during calendar year 2014.

The number of establishments selling merchandise subject to sales tax and the valuation of taxable transactions in the City for the past five years is presented in the following table. Data for calendar year 2016 is not yet available.

**Taxable Retail Sales
City of Galt**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Sales Tax Permits	1,502	1,465	1,346	1,275	n/a
Taxable Sales (000's)	\$135,195	\$128,854	\$136,186	\$153,386	\$178,223

Source: State Board of Equalization.

Total taxable sales during calendar year 2015 in the County of Sacramento were reported to be \$22,043,196,000, a 4.7 percent increase from the total taxable sales of \$21,061,901,000 reported during calendar year 2014.

The number of establishments selling merchandise subject to sales tax and the valuation of taxable transactions in the County of Sacramento for the past five years is presented in the following table. Data for calendar year 2016 is not yet available.

**Taxable Retail Sales
County of Sacramento**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Sales Tax Permits	31,682	31,507	31,709	32,143	n/a
Taxable Sales (000's)	\$18,003,756	\$19,089,848	\$20,097,095	\$21,061,901	\$22,043,196

Source: State Board of Equalization.

Construction Activity

Estimated new privately owned residential housing units authorized by building permits and total construction costs in the County of Sacramento for the past five years are shown in the following table.

**New Residential Building Permits
County of Sacramento**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Single Family Residential Units	737	1,231	1,762	1,680	2,261
Multi-Family Residential Units	<u>549</u>	<u>315</u>	<u>139</u>	<u>81</u>	<u>749</u>
Total New Building Permits	1,286	1,546	1,901	1,761	3,010
Total Construction Costs	\$250,737,125	\$337,300,470	\$505,728,860	\$439,041,222	\$711,956,461

Source: U.S. Bureau of the Census, Building Permit Estimates.

THE DISTRICT

The information in this section concerning the operations of the District and its finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the

principal of or interest on the Bonds is payable from the General Fund. The Bonds are payable from the proceeds of an ad valorem tax, approved by the voters of the District pursuant to applicable laws and State Constitutional requirements, and required to be levied by Sacramento County and San Joaquin County on all taxable property in the District in an amount sufficient for the timely payment of principal of and interest on the Bonds. See “SECURITY AND SOURCE OF PAYMENT” herein.

General Information

The District, a political subdivision of the State, is an elementary school district established in 1955. The District encompasses approximately 27 square miles located in the southern portion of Sacramento County and a small part of the northern portion of San Joaquin County, serving a population of approximately 30,000 people residing in the City and surrounding areas.

The District operates five elementary schools and one middle school, providing education to approximately 3,620 students in transitional kindergarten through eighth grade, as well as a preschool.

The District Board of Trustees and Key Administrative Personnel

The District Board governs all activities related to public education within the jurisdiction of the District. The District Board has decision-making authority, the power to designate management, the responsibility to significantly influence operations and is accountable for all fiscal matters relating to the District.

The District Board consists of five members. Each District Board member is elected by the public for a four-year term of office. Elections for the District Board are held every two years, alternating between two and three positions available. A president of the District Board is elected by members each year.

The current members of the District Board, together with their office and the date their term expires, are set forth in the following table.

**District Board of Trustees
Galt Joint Union Elementary School District**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Kevin Papineau	President	December 2018
John Gordon	Vice President	December 2020
Grace Malson	Clerk	December 2018
Matthew Felix	Representative	December 2020
Wesley Cagle	Member	December 2018

The Superintendent of the District is appointed by and reports to the District Board. The Superintendent is responsible for managing the District’s day-to-day operations and supervising the work of other key District administrators. The current members of the District’s administration and positions held are set forth on page “iv” of this Official Statement.

Enrollment

Student enrollment determines to a large extent the amount of funding a State public school district receives for program, facilities and staff needs. 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. Enrollment can fluctuate due to factors such as population growth, competition from private, parochial, and public charter schools, inter-district transfers in or out, and other causes. Losses in enrollment will cause a school district to lose operating revenues, without necessarily permitting the school district to make adjustments in fixed operating costs. The ADA as of the last day of the last full attendance month concluding prior to April 15 (“P-2 ADA”) is used by the State as the basis for State apportionments.

Set forth in the following table is the historical and projected ADA for the District.

**Average Daily Attendance
Galt Joint Union Elementary School District**

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u> ¹
Total P-2 ADA	3,656	3,643	3,537	3,507	3,460

¹Projected as of the fiscal year 2016-17 second interim report.

Charter Schools

To the extent charter schools draw students from school district schools and reduce school district enrollment, charter schools can adversely affect school district revenues. However, certain per-pupil expenditures of a school district also decrease based upon the number of students enrolled in charter schools. Pursuant to Proposition 39, school districts are required to provide facilities reasonably equivalent to those provided to regular district students for charter schools having a projected average daily attendance of at least 80 or more students from that district.

There are no charter schools operating in the District.

Pupil-to-Teacher Ratios

Set forth in the following table are the pupil-to-teacher ratios of the District in fiscal year 2016-17.

**Pupil-to-Teacher Ratios
Galt Joint Union Elementary School District**

<u>Level</u>	<u>Pupil-to-Teacher Ratio</u>
Transitional Kindergarten – Third Grade	___ : 1
Fourth – Eighth Grade	___ : 1

Employee Relations

State law provides that employees of public school districts of the State are to be divided into appropriate bargaining units which then may be represented by an exclusive bargaining agent. The District has two recognized bargaining units representing its non-management employees. The Galt Elementary Faculty Association (“GEFA”) is the exclusive bargaining unit for the non-management certificated personnel of the District. The California School Employees Association, Chapter #362 (“CSEA #362”) is the exclusive bargaining unit for the District’s classified, non-management employees.

Set forth in the following table are the District’s bargaining units, number of full-time equivalents (“FTEs”) projected for fiscal year 2016-17 as of the second interim report, and contract status.

**Bargaining Units, Number of Employees and Contract Status
Galt Joint Union Elementary School District**

<u>Bargaining Unit</u>	<u>Full-Time Equivalents</u>	<u>Contract Status</u>
GEFA	214	In negotiations for fiscal year 2016-17
CSEA #362	156	In negotiations for fiscal year 2016-17

The District has an additional 38 FTEs not represented by a bargaining unit projected for fiscal year 2016-17 as of the second interim report.

Pension Plans

All full-time employees of the District, as well as certain part-time employees, are eligible to participate under defined benefit retirement plans maintained by agencies of the State. Qualified certificated employees are eligible to participate in the cost-sharing multiple-employer State Teachers’ Retirement System (“STRS”). Qualified classified employees are eligible to participate in the cost-sharing multiple-employer Public Employees’ Retirement Fund of the Public Employees’ Retirement System (“PERS”), which acts as a common investment and administrative agent for participating public entities within the State.

The District accounts for its pension costs and obligations pursuant to *Governmental Accounting Standards Board (“GASB”) Statement No. 67, Financial Reporting for Pension Plans (“GASB 67”)* and *Statement No. 68, Accounting and Financial Reporting for Pensions (“GASB 68”)* which replaced GASB Statements Nos. 25 and 27, respectively. GASB 68 requires an employer that provides a defined benefit pension, such as the District, to recognize and report its long-term obligation for pension benefits as a liability as it is earned by employees. The District implemented the new reporting standards as reflected in the District’s financial statements for fiscal year 2014-15. See “APPENDIX A—THE FINANCIAL STATEMENTS OF THE DISTRICT AS OF AND FOR THE YEAR ENDED JUNE 30, 2016” attached hereto.

STRS—Description and Contributions. STRS operates under the Education Code sections commonly known as the State Teachers’ Retirement Law. Membership is mandatory for all certificated employees of State public schools meeting the eligibility requirements. STRS provides retirement, disability and death benefits based on an employee’s years of service, age and final compensation. Employees vest after five years of service and may receive early retirement benefits as early as age 50 or normal retirement either at age 60 or 62 depending on their hire date. Except as required for employees hired after January 1, 2013, STRS employee contribution rates are established by the State Legislature. The fiscal year 2016-17 contribution requirement for active plan members with an enrollment date prior to January 1, 2013 is 10.25 percent of salary. For active plan members with an enrollment date on or after January 1, 2013, the employee contribution rate is at least 50 percent of the total annual normal cost of their pension benefit each year as determined by an actuary (9.205 percent in fiscal year 2016-17). Because STRS contribution rates are established by statute, unlike typical defined benefit programs, the District’s contribution rate does not vary annually to make up funding shortfalls or assess credits based on actuarial determinations.

State Assembly Bill 1469, signed into law as part of the fiscal year 2014-15 State budget (the “2014-15 State Budget”), established a plan to eliminate the unfunded STRS liability over a period of approximately 30 years through a combination of State funding and increased school district and employee payments. Employee contributions increase to 10.25 percent of pay by fiscal year 2016-17, employer contributions increase to 19.1 percent of eligible pay by fiscal year 2020-21, and State contributions increase by 4.311 percent by fiscal year 2016-17.

The District's STRS contributions for the past five years and projected contribution for fiscal year 2016-17 as of the second interim report are set forth in the following table.

**STRS Employer Contributions
Galt Joint Union Elementary School District**

<u>Fiscal Year</u>	<u>District Contribution Rate</u>	<u>District Contributions¹</u>	<u>Total District Governmental Funds Expenditures</u>	<u>District Contributions as Percentage of Total Governmental Funds Expenditures</u>
2011-12	8.25%	\$1,320,082	\$32,260,781	4.09%
2012-13	8.25	1,303,775	39,531,794	3.30
2013-14	8.25	1,406,654	37,546,608	3.75
2014-15	8.88	1,608,005	38,259,585	4.20
2015-16	10.73	1,958,062	40,689,518	4.81
2016-17 ²	12.58	3,960,932 ³	<u>46,092,355</u>	<u>8.59</u>

¹In each instance equal to 100 percent of the required contribution.

²Projected as of the fiscal year 2016-17 second interim report.

³Includes State on-behalf payment of \$_____. Excluding the State on-behalf payment would reduce the District contribution as percentage of total governmental funds expenditures in fiscal year 2016-17 to ____ percent.

PERS—Description and Contributions. All full-time classified employees of the District as well as certain part-time classified employees participate in PERS, which provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries based on an employee's years of service, age and final compensation. Employees hired before January 1, 2013 fully vest after five years of service and may receive retirement benefits at age 50; employees hired after that date fully vest at age 52. These benefit provisions and all other requirements are established by State statute and District resolution. Active plan members with an enrollment date prior to January 1, 2013 are required to contribute seven percent of their salary, while active plan members with an enrollment date on or after January 1, 2013 are required to contribute the greater of 50 percent of normal costs or six percent of their salary. The District is required to pay an actuarially determined rate.

The District's PERS contributions for the past five years and projected contribution for fiscal year 2016-17 as of the second interim report are set forth in the following table.

**PERS Employer Contributions
Galt Joint Union Elementary School District**

<u>Fiscal Year</u>	<u>District Contribution Rate</u>	<u>District Contributions¹</u>	<u>Total District Governmental Funds Expenditures</u>	<u>District Contributions as Percentage of Total Governmental Funds Expenditures</u>
2011-12	10.923%	\$494,559	\$32,260,781	1.53%
2012-13	11.417	508,434	39,531,794	1.29
2013-14	11.442	603,896	37,546,608	1.61
2014-15	11.771	644,995	38,259,585	1.69
2015-16	11.847	690,769	40,689,518	1.70
2016-17 ²	13.888	816,262	<u>46,092,355</u>	1.77

¹In each instance equal to 100 percent of the required contribution.

²Projected as of the fiscal year 2016-17 second interim report.

Unfunded Liabilities and Pension Expense Reporting. Both STRS and PERS have substantial statewide, unfunded liabilities. The amount of these liabilities will vary depending on actuarial assumptions, returns on investment, salary scales and participant contributions. The actuarial funding method used in the STRS Actuarial Valuation as of June 30, 2015 is the entry age normal cost method, and assumes, among other things, a 7.5 percent investment rate of return, 4.5 percent interest on member accounts, projected 3.0 percent inflation, and projected payroll growth of 3.75 percent.

The following table shows the statewide funding progress of the STRS plan for the past six years. Actuarial valuation data as of June 30, 2016 is not yet available.

**Funding Progress
California State Teachers' Retirement System (STRS)¹**

Actuarial Valuation Date as of June 30	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Total Unfunded Actuarial Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Payroll
2010	\$140,291	\$196,315	\$56,024	71%	\$26,275	213%
2011	143,930	208,405	64,475	69	26,592	242
2012	144,232	215,189	70,957	67	26,404	269
2013	148,614	222,281	73,667	67	26,483	278
2014	158,495	231,213	72,718	69	26,398	275
2015	165,553	241,753	76,200	69	28,640	266

¹Dollars in millions.

Source: California State Teachers' Retirement System, Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2016; California State Teachers' Retirement System, Defined Benefit Program Actuarial Evaluation for Fiscal Year Ended June 30, 2015.

Pursuant to Government Code Section 20840 *et seq.*, PERS is authorized to create risk pools for public agencies, combining assets and liabilities across employers in large risk-sharing pools to help reduce the large fluctuations in the employer's contribution rate caused by unexpected demographic events. The "Schools Pool" provides identical retirement benefits to nearly all classified school employees in the State. The actuarial funding method used in the PERS Schools Pool Actuarial Valuation as of June 30, 2015 is the individual entry age normal cost method, and assumes, among other things, a 7.5 percent investment rate of return and projected 2.75 percent inflation; projected payroll growth varies by entry age and service.

The following table shows the statewide funding progress of the PERS plan for the past six years. Actuarial valuation as of June 30, 2016 is not yet available.

**Funding Progress
Public Employees' Retirement System (PERS) Schools Pool¹**

Actuarial Valuation Date as of June 30	Market Value of Plan Assets	Actuarial Accrued Liability	Total Unfunded Actuarial Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Payroll
2010	\$38,435	\$55,307	\$16,872	70%	\$11,283	150%
2011	45,901	58,358	12,457	79	10,540	118
2012	44,854	59,439	14,585	76	10,242	142
2013	49,482	61,487	12,005	81	10,424	115
2014	56,838	65,600	8,761	87	11,294	78
2015	56,814	73,325	16,510	78	12,098	136

¹Dollars in millions.

Source: California Public Employees' Retirement System, Schools Pool Actuarial Valuation as of June 30, 2015.

For the year ended June 30, 2016, the District's combined recognized pension expense was \$2,989,804 (inclusive of the State's required on-behalf contribution for STRS). The District's total net pension liability as of June 30, 2016 was \$33,699,535.

The District's recognized pension expenses and net pension liability as reported financial statements for fiscal years 2014-15, the first year for which the data was provided, and 2015-16 are set forth in the following tables.

**Proportionate Share of the Net Pension Liability—STRS
Galt Joint Union Elementary School District**

Fiscal Year	Proportion of Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Employee Payroll	Proportionate Share of Net Pension Liability as Percentage of Covered Employee Payroll	Fiduciary Net Position as Percentage of Total Net Pension Liability
2014-15	0.0390%	\$22,790,430	\$17,050,352	134%	77%
2015-16	0.0393	26,425,515	18,108,164	146	74

**Proportionate Share of the Net Pension Liability—PERS
Galt Joint Union Elementary School District**

Fiscal Year	Proportion of Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Employee Payroll	Proportionate Share of Net Pension Liability as Percentage of Covered Employee Payroll	Fiduciary Net Position as Percentage of Total Net Pension Liability
2014-15	0.0500%	\$5,676,217	\$5,277,886	108%	83%
2015-16	0.0493	7,274,020	5,479,526	133	79

The District is unable to predict future amount of State pension liabilities and amount of required District contributions. Pension plan, annual contribution requirements and liabilities are more fully described in "APPENDIX A—THE FINANCIAL STATEMENTS OF THE DISTRICT AS OF AND FOR THE YEAR ENDED JUNE 30, 2016" attached hereto.

Other Postemployment Benefits (OPEB)

In addition to the pension benefits described above, the District provides postemployment health care benefits (known as “other postemployment benefits,” or “OPEB”), in accordance with District employment contracts, to retirees meeting certain eligibility requirements.

Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions (“GASB 45”) requires public agency employers providing healthcare benefits to retirees to recognize and account for the costs for providing these benefits on an accrual basis and provide footnote disclosure on the progress toward funding the benefits, in order to quantify a government agency’s current liability for future benefit payments. GASB 45 is directed at quantifying and disclosing OPEB obligations, and does not impose any requirement on public agencies to fund such obligations.

The District completed an actuarial study assessing the District’s OPEB liability as of April 1, 2015. Based on the study, the District’s actuarial accrued liability (the “AAL”), which can also be considered to be the present value of all benefits earned to date assuming that an employee accrues retiree healthcare benefits ratably over his career, was \$5,189,497. The AAL is an actuarial estimate that depends on a variety of assumptions about future events, such as health care costs and beneficiary mortality. Every year, active employees earn additional future benefits, an amount known as the “normal cost,” which is added to the AAL. As calculated by the study, the remaining unamortized balance of the initial unfunded AAL (the “UAAL”) was \$5,095,831, leaving a “residual” AAL of \$93,666. The District has not set aside moneys in an irrevocable trust with which to pay these accrued and accruing future liabilities.

The annual required contribution (“ARC”) is the amount required if the District were to fund each year’s normal cost plus an annual amortization of both the initial and residual UAAL, assuming the UAAL will be fully funded over a 25-year period. If the amount budgeted and funded in any year is less than the ARC, the difference reflects the amount by which the UAAL is growing. The actuarial study calculated the ARC to be \$410,425 as of April 2015.

The District funds its OPEB liability on a “pay-as-you go” basis. The District paid \$153,465 in OPEB in fiscal year 2014-15, paid \$184,969 in OPEB in fiscal year 2015-16, and projects paying \$209,592 in OPEB in fiscal year 2016-17 as of the second interim report. See “APPENDIX A—THE FINANCIAL STATEMENTS OF THE DISTRICT AS OF AND FOR THE YEAR ENDED JUNE 30, 2016” for additional information regarding the District’s OPEB.

DISTRICT FINANCIAL INFORMATION

The information in this section concerning the operations of the District and its finances are provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the General Fund. The Bonds are payable from the proceeds of an ad valorem tax, approved by the voters of the District pursuant to applicable laws and State Constitutional requirements, and required to be levied by Sacramento County and San Joaquin County on all taxable property in the District in an amount sufficient for the timely payment of principal of and interest on the Bonds. See “SECURITY AND SOURCE OF PAYMENT” herein.

Accounting Practices

The District accounts for its financial transactions in accordance with the policies and procedures of the State Department of Education’s *California School Accounting Manual*, which, pursuant to Education Code Section 41010, is to be followed by all school districts in the State. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants.

The District’s financial statements consist of government-wide statements and fund-based financial statements. Government-wide statements, consisting of a statement of net assets and a statement of activities, report all the assets, liabilities, revenue and expenses of the District and are accounted for using the economic resources measurement focus and accrual basis of accounting. The fund-based financial statements consist of a series of statements that provide information about the District’s

major and non-major funds. Governmental funds, including the General Fund, special revenues funds, capital project funds and debt service funds, are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available, while expenditures are recognized in the period in which the liability is incurred, if measurable. Proprietary funds and fiduciary funds are accounted for using the economic resources measurement focus and accrual basis of accounting. See “NOTE 1” in “APPENDIX A” attached hereto for a further discussion of applicable accounting policies.

The independent auditor for the District in fiscal year 2015-16 was Goodell, Porter, Sanchez & Bright, LLP, Sacramento, California (the “Auditor”). The financial statements of the District as of and for the year ended June 30, 2016, are set forth in “APPENDIX A” attached hereto. The District has not requested nor did the District obtain permission from the Auditor to include the audited financial statements as an appendix to this Official Statement. The Auditor has not performed any subsequent events review or other procedures relative to these audited financial statements since the date of its letter.

Budget and Financial Reporting Process

The General Fund finances the legally authorized activities of the District for which restricted funds are not provided. General Fund revenues are derived from such sources as federal and State school apportionments, taxes, use of money and property, and aid from other governmental agencies.

The District is required by provisions of the Education Code to maintain a balanced budget each year, where the sum of expenditures plus the ending fund balance cannot exceed revenues plus the carry-over fund balance from the previous year. The State Department of Education imposes a uniform budgeting format for all school districts.

The fiscal year for all State school districts is July 1 to June 30. The same calendar applies to county offices of education, although their budgets and reports are reviewed by the State Superintendent of Public Instruction (the “State Superintendent”). Because most school districts depend on State funds for a substantial portion of revenue, the State budget is an extremely important input in the school district budget preparation process. However, there is very close timing between final approval of the State budget (legally required by June 15), the adoption of the associated school finance legislation, and the adoption of local school district budgets. In some years, the State budget is not approved by the legal deadline which forces school districts to begin the new fiscal year with only estimates of the amount of funding they will actually receive.

The school district budgeting process involves continuous planning and evaluation. Within the deadlines, school districts work out their own schedules for considering whether or not to hire or replace staff, negotiating contracts with all employees, reviewing programs, and assessing the need to repair existing or acquire new facilities. Decisions depend on the critical estimates of enrollment, fixed costs, commitments in contracts with employees as well as best guesses about how much money will be available for elementary and secondary education. The timing of some decisions is forced by legal deadlines. For example, preliminary layoff notices to teachers must be delivered in March, with final notices in May. This necessitates projecting enrollments and determining staffing needs long before a school district will know either its final financial position for the current year or its revenue for the next year.

School districts must adopt an annual budget on or before July 1 of each year. The budget must be submitted to the county superintendent within five days of adoption or by July 1, whichever occurs first. The governing board of the school district must not adopt a budget before the governing board adopts a local control and accountability plan (the “LCAP”) for that budget year. See “FUNDING OF PUBLIC EDUCATION IN THE STATE” herein.

The county superintendent will examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance, will determine if the budget allows the school district to meet its current obligations, will determine if the budget is consistent with a financial plan that will enable the school district to meet its multi-year financial commitments, and will determine if the budget ensures the fiscal solvency and accountability for the goals outlined in the LCAP. On or before September 15, the county superintendent will approve or disapprove the adopted budget for each school district within its jurisdiction based on these standards. The school district board must be notified by September 15 of the county superintendent’s recommendations for revision and reasons for the recommendations. The county superintendent may assign a fiscal advisor or appoint a committee to examine and comment on the superintendent’s recommendations. The committee must report its findings no later than September 20. Any recommendations made by the county superintendent must be made available by the school district for public inspection. The law does not provide for conditional approvals; budgets must be either approved or disapproved. No later than October 22, the county superintendent must notify the State Superintendent of all school districts whose budget may

be disapproved, and no later than November 8, the county superintendent must notify the State Superintendent of all school district budgets that have been disapproved or budget committees waived.

For school districts whose budgets have been disapproved, the school district must revise and readopt its budget by October 8, reflecting changes in projected income and expense since July 1, and responding to the county superintendent’s recommendations. The county superintendent must determine if the budget conforms with the standards and criteria applicable to final school district budgets and not later than November 8, will approve or disapprove the revised budgets. If the budget is disapproved, the county superintendent will call for the formation of a budget review committee pursuant to Education Code Section 42127.1. Until a school district’s budget is approved, the school district will operate on the lesser of its proposed budget for the current fiscal year or the last budget adopted and reviewed for the prior fiscal year.

Under the provisions of State Assembly Bill 1200, each school district is required to file interim certifications with the county office of education as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent two fiscal years. Each school district is required by the Education Code to file two interim reports each year—the first report for the period ending October 31 by not later than December 15, and the second report for the period ending January 31 by not later than March 15. Each interim report shows fiscal year-to-date financial operations and the current budget, with any budget amendments made in light of operations and conditions to that point. The county office of education reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that will be unable to meet its financial obligations for the remainder of the fiscal year or subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or subsequent two fiscal years. If either the first or second interim report is not positive, the county superintendent may require the school district to provide a third interim report by June 1 covering the period ending April 30. If not required, a third interim report is generally not prepared (though may be at the election of the school district).

The county superintendent must annually present a report to the governing board of the school district and the State Superintendent of Public Instruction regarding the fiscal solvency of any school district with a disapproved budget, qualified interim certification, or negative interim certification, or that is determined at any time to be in a position of fiscal uncertainty pursuant to Education Code Section 42127.6. Any school district with a qualified or negative certification must allow the county office of education at least ten working days to review and comment on any proposed agreement made between its bargaining units and the school district before it is ratified by the school district board (or the state administrator). The county superintendent will notify the school district, the county board of education, the school district governing board and the school district superintendent (or the state administrator), and each parent and teacher organization of the school district within those ten days if, in his or her opinion, the agreement would endanger the fiscal well-being of the school district. Also, pursuant to Education Code Section 42133, a school district that has a qualified or negative certification in any fiscal year may not issue, in that fiscal year or the next succeeding fiscal year, non-voter approved debt unless the county superintendent of schools determines that the repayment of that debt by the school district is probable.

The filing status of the District’s interim reports for the past five years appears in the following table.

**Certifications of Interim Financial Reports
Galt Joint Union Elementary School District**

<u>Fiscal Year</u>	<u>First Interim</u>	<u>Second Interim</u>
2012-13	Positive	Positive
2013-14	Positive	Positive
2014-15	Positive	Positive
2015-16	Positive	Positive
2016-17	Positive	Positive

Financial Statements

Figures presented in summarized form herein have been gathered from the District's financial statements. The audited financial statements of the District for the fiscal year ending June 30, 2016, have been included in the appendix to this Official Statement. See "APPENDIX A" attached hereto. Audited financial statements and other financial reports for prior fiscal years are on file with the District and available for public inspection during normal business hours. Copies of financial statements relating to any year are available to prospective investors and or their representatives upon request by contacting Galt Joint Union Elementary School District, 1018 C Street, Suite 210, Galt, California 95632, (209) 744-4545, Attention: Director of Business Services, or by contacting the Municipal Advisor, Government Financial Strategies inc., 1228 N Street, Suite 13, Sacramento, California 95814-5609, telephone (916) 444-5100.

The following table sets forth the District's audited General Fund balance sheet data for fiscal years 2012-13 through 2015-16.

General Fund Balance Sheet
Galt Joint Union Elementary School District

	2012-13	2013-14	2014-15	2015-16
	<u>Audited</u>	<u>Audited</u>	<u>Audited</u>	<u>Audited</u>
ASSETS				
Cash	\$2,893,623	\$1,067,973	\$5,106,881	\$7,882,610
Accounts Receivable	7,068,604	5,661,971	1,949,550	2,574,133
Due From Other Funds	86,506	146,400	118,810	247,888
Prepaid Expenditures	<u>4,524</u>	<u>1,283</u>	<u>9,048</u>	<u>5,744</u>
TOTAL ASSETS	\$10,053,257	\$6,877,627	\$7,184,289	\$10,710,375
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$1,643,245	\$1,816,325	\$2,306,717	\$2,420,267
Due to Other Funds	174,972	9,946	28,418	438,154
Deferred Revenue	62,436	6,463	33,821	0
Tax Revenue Anticipation Notes	<u>4,150,000</u>	<u>1,200,000</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES	\$6,030,653	\$3,032,734	\$2,368,956	\$2,858,421
FUND BALANCES				
Nonspendable	\$24,524	\$21,283	\$29,048	\$25,745
Restricted	386,890	1,083,234	655,934	1,395,263
Assigned	570,128	316,418	675,571	3,149,179
Unassigned	<u>3,041,062</u>	<u>2,423,958</u>	<u>3,454,780</u>	<u>3,281,767</u>
TOTAL FUND BALANCES	\$4,022,604	\$3,844,893	\$4,815,333	\$7,851,954
TOTAL LIABILITIES AND FUND BALANCES	\$10,053,257	\$6,877,627	\$7,184,289	\$10,710,375

The following table sets forth the District's audited General Fund activity for fiscal years 2012-13 through 2015-16 and projected activity for fiscal year 2016-17 as of the second interim report.

General Fund Activity¹
Galt Joint Union Elementary School District

	2012-13 <u>Audited</u>	2013-14 <u>Audited</u>	2014-15 <u>Audited</u>	2015-16 <u>Audited</u>	2016-17 <u>2nd Interim</u>
BEGINNING BALANCE	\$4,213,167	\$4,022,604	\$3,844,893	\$4,815,333	\$7,851,954
GASB 54 Adjustment ¹	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(255,024)</u>
ADJUSTED BEGINNING BALANCE	\$4,213,167	\$4,022,604	\$3,844,893	\$4,815,333	\$7,596,930
REVENUES					
Revenue Limit/LCFF	\$18,988,439	\$23,737,933	\$26,323,682	\$28,775,170	\$29,763,860
Federal Revenue	2,358,214	6,031,653	4,603,733	3,981,500	3,517,041
Other State Revenues	5,170,984	2,223,677	2,557,840	5,059,242	3,865,259
Other Local Revenues	<u>2,214,053</u>	<u>2,113,827</u>	<u>2,504,000</u>	<u>2,778,495</u>	<u>2,707,298</u>
TOTAL REVENUES	\$28,731,690	\$34,107,090	\$35,989,255	\$40,594,407	\$39,853,457
EXPENDITURES					
Certificated Salaries	\$16,175,669	\$17,857,378	\$18,440,296	\$18,581,071	\$19,017,161
Classified Salaries	4,808,230	5,868,589	6,192,779	6,476,171	6,975,196
Employee Benefits	4,721,187	5,002,240	6,250,707	6,807,651	8,371,836
Books and Supplies	1,033,625	2,214,035	1,611,204	1,674,470	3,201,865
Services and Other Operating Exp.	2,174,818	3,280,986	2,588,061	3,513,039	4,338,403
Capital Outlay	15,363	19,935	155,424	272,224	631,610
Other Outgo	(29,849)	(39,762)	(67,563)	(74,828)	17,566
Debt Service	<u>28,157</u>	<u>101,240</u>	<u>15,462</u>	<u>42,867</u>	<u>0</u>
TOTAL EXPENDITURES	\$28,927,200	\$34,304,641	\$35,186,370	\$37,292,665	\$42,553,637
OTHER FINANCING SOURCES	\$4,947	\$19,840	\$167,555	(\$265,121)	(\$319,302)
NET INCREASE (DECREASE)	(\$190,563)	(\$177,711)	\$970,440	\$3,036,621	(\$3,019,482)
ENDING BALANCE	\$4,022,604	\$3,844,893	\$4,815,333	\$7,851,954	\$4,577,448
GASB 54 Adjustments ¹	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>256,224</u>
ENDING BALANCE, GAAP BASIS	\$4,022,604	\$3,844,893	\$4,815,333	\$7,851,954	\$4,833,672

¹The District has implemented *Government Accounting Standard Board Statement No. 54, Fund Balance Reporting and Government Type Definitions* ("GASB 54"), the effect of which was to reclassify and restate the District's Special Reserve Fund for Other Postemployment Benefits ("Fund 20") within the General Fund. However, the District's internal reporting, including the fiscal year 2016-17 second interim report, does not reflect the implementation of GASB 54.

Totals may not foot due to rounding.

Revenues

The District categorizes its General Fund revenues into four primary sources: revenue limit / LCFF sources, federal revenues, other State revenues and other local revenues.

Revenue Limit / Local Control Funding Formula (LCFF). For nearly half a century, State school districts operated under general purpose revenue limit funding based on a district's average daily student attendance, much of which was restricted by category as to how each dollar could be spent. Revenue limit funding was calculated by multiplying a school district's ADA

(using the greater of the current or prior year P-2 ADA) by the school district’s revenue limit funding per ADA, with certain adjustments.

In landmark legislation effective fiscal year 2013-14, the State introduced a new formula, the local control funding formula (“LCFF”), to be phased in through fiscal year 2020-21. LCFF consolidates most categorical programs in order to give school districts more control over how to spend their revenues. At full implementation of LCFF, school districts will receive a uniform base grant per student based on grade span, a supplemental grant based on an unduplicated count of the targeted disadvantaged students (“unduplicated students”) in the school district, and an additional concentration grant based on the number of unduplicated students in the school district above 55 percent, with qualifying schools receiving an additional necessary small school allowance. Approximately 64.68 percent of the District’s students were unduplicated students for fiscal year 2015-16, based on P-2 ADA. The base, supplemental, and concentration grant amounts per student were set in fiscal year 2012-13 and are subject to cost-of-living adjustments thereafter. School districts that would otherwise receive less funding at full implementation of LCFF than they did under the revenue-limit system are also guaranteed an additional Economic Recovery Target (“ERT”) grant to restore funding to at or above their pre-recession funding, adjusted for inflation. The ERT add-on is paid incrementally over the LCFF implementation period. In fiscal year 2015-16, the District’s LCFF funding at full implementation is calculated to be \$31,578,266, comprised of \$26,583,232 in base grant funding, \$3,438,807 in supplemental grant funding, \$1,286,629 in concentration grant funding, and \$269,598 in add-on funding.

To calculate LCFF funding during the phase-in period, school districts calculate their “funding gap,” the difference between LCFF funding calculated at full implementation and their “funding floor,” an amount based on fiscal year 2012-13 funding levels under the revenue limit system adjusted for prior LCFF phase-in adjustments. School districts receive their funding floor plus a percentage of their funding gap as specified in the State budget. In fiscal year 2016-17, the District projects receiving 55 percent of the remaining funding gap. In fiscal year 2015-16, the District received \$25,674,767 as its floor entitlement and \$3,102,738 in gap funding under LCFF. See “FUNDING OF PUBLIC EDUCATION IN THE STATE” herein for more information about LCFF.

Set forth in the following table is the District’s P-2 ADA by grade span, total enrollment, and the percentage of unduplicated student enrollment for fiscal years 2013-14 through 2016-17.

**ADA, Enrollment and Unduplicated Student Enrollment Percentage
Galt Joint Union Elementary School District**

Fiscal Year	P-2 ADA Grades TK-3	P-2 ADA Grades 4-6	P-2 ADA Grades 7-8	Total P-2 ADA	Total Enrollment ¹	Unduplicated Student Enrollment Percentage ²
2013-14	1,557	1,238	848	3,643	3,785	67.21%
2014-15	1,466	1,261	810	3,537	3,693	65.96
2015-16	1,434	1,272	801	3,507	3,651	64.68
2016-17 ³	1,384	1,232	844	3,460	3,618	62.28

¹As of the October report submitted to the California Basic Educational Data System (“CBEDS”).

²For purposes of calculating supplemental and concentration grants, a school district’s fiscal year 2013-14 percentage of unduplicated students is determined solely as the percentage of its fiscal year 2013-14 total enrollment. For fiscal year 2014-15, the percentage of unduplicated students is based on the two-year average of unduplicated student enrollment in fiscal years 2013-14 and 2014-15. Beginning in fiscal year 2015-16, a school district’s percentage of unduplicated student enrollment is based on a rolling average of such district’s unduplicated student enrollment for the then-current fiscal year and the two immediately preceding fiscal years.

³Projected as of the fiscal year 2016-17 second interim report.

Set forth in the following table is the District’s actual LCFF funding per ADA for fiscal years 2013-14 through 2015-16 and budgeted LCFF funding per ADA for fiscal year 2016-17.

**LCFF Funding per ADA
Galt Joint Union Elementary School District**

<u>Fiscal Year</u>	<u>Funded ADA¹</u>	<u>Average LCFF Funding per ADA²</u>	<u>Average LCFF Funding per ADA at Full Implementation</u>
2013-14	3,664	\$6,481	\$8,890
2014-15	3,650	7,211	8,893
2015-16	3,544	8,119	8,909
2016-17 ³	3,506	8,131	8,779

¹Funded ADA is the greater of current year P-2 ADA and prior year P-2 ADA.

²Represents average LCFF funding per ADA across grade spans.

³Projected as of the fiscal year 2016-17 second interim report.

Funding of the District’s revenue limit and LCFF is accomplished by a mix of a) local taxes (composed predominantly of property taxes, and including miscellaneous taxes and community redevelopment funds, if any) and b) State apportionments. The majority of the District’s revenue limit / LCFF funding comes from State apportionments.

LCFF revenues were 73.1 percent of General Fund revenues in fiscal year 2014-15, were 70.9 percent of General Fund revenues in fiscal year 2015-16, and are projected to be 74.7 percent of General Fund revenues in fiscal year 2016-17 as of the second interim report.

Federal Revenues. The federal government provides funding for several District programs. These federal revenues, most of which historically have been restricted, were 12.8 percent of General Fund revenues in fiscal year 2014-15, were 9.8 percent of General Fund revenues in fiscal year 2015-16, and are projected to be 8.8 percent of General Fund revenues in fiscal year 2016-17 as of the second interim report.

Other State Revenues. In addition to apportionment revenues, the State provides funding to the District for categorical programs. Many categorical programs previously classified as other State revenues were incorporated under LCFF in fiscal year 2013-14, causing a reduction in other State revenues. These other State revenues were 7.1 percent of General Fund revenues in fiscal year 2014-15, were 12.5 percent of General Fund revenues in fiscal year 2015-16, and are projected to be 9.7 percent of General Fund revenues in 2016-17 as of the second interim report. Included in other State revenues are proceeds received from the State lottery.

Other Local Revenues. Revenues from other local sources were 7.0 percent of General Fund revenues in fiscal year 2014-15, were 6.8 percent of General Fund revenues in fiscal year 2015-16, and are projected to be 6.8 percent of General Fund revenues in fiscal year 2016-17 as of the second interim report.

Expenditures

The largest components of a school district’s general fund expenditures are certificated and classified salaries and employee benefits. Changes in salary and benefit expenditures from year to year are generally based on changes in staffing levels, negotiated salary increases, and the overall cost of employee benefits. Even with no negotiated salary increases or changes in staffing levels, normal “step and column” advancements on the salary scale result in increased salary expenditures.

At the time the District’s fiscal year 2016-17 second interim report was prepared, the District had not completed negotiations with its certificated or classified bargaining units to finalize salary and benefit increases for fiscal year 2016-17. As a result, the District did not include certificated and classified employee salary and benefit increases in its fiscal year 2016-17 second interim report. Each one percent increase in salary for certificated and classified staff would increase fiscal year 2016-17 expenditures by \$181,612 and \$69,836, respectively.

Employee salaries and benefits were 87.8 percent of General Fund expenditures in fiscal year 2014-15, were 85.4 percent of General Fund expenditures in fiscal year 2015-16, and are projected to be 80.8 percent of General Fund expenditures in fiscal year 2016-17 as of the second interim report.

Short-Term Borrowings

The District has no short-term debt outstanding.

The District has in the past issued short-term tax and revenue anticipation notes. Proceeds from the issuance of notes by the District have been used to reduce inter-fund dependency and to provide the District with greater overall efficiency in the management of its funds. The District has not defaulted on any of its short-term borrowings in the past ten years.

Capitalized Lease Obligations

The District has made use of various capital lease arrangements in the past under agreements that provide for title of items and equipment being leased to pass to the District upon expiration of the lease period. As of June 30, 2016, the District had \$145,395 of capital lease obligations outstanding.

The District is a member of the Galt Schools Joint Power Authority (the "Authority"). In September 2008, the Authority issued the Galt Schools Joint Power Authority 2008 Refunding Lease Revenue Bonds, Series A (High School and Elementary School Facilities) (the "2008 JPA Bonds") in the aggregate principal amount of \$11,525,000, of which \$6,530,000 is outstanding. The 2008 JPA Bonds are special obligations of the Authority payable from lease payments to be made by the District and the Galt Joint Union High School District under separate lease agreements. While the District is obligated to make its lease payments from any lawfully available funds, the lease payments are intended to be made from special taxes levied and collected by the Authority located in the Authority's Community Facilities District No. 1. The 2008 JPA Bonds are not included in the audited financial statements of the District.

Long-Term Borrowings

The 2001 Election. On October 23, 2001 (the "2001 Election"), more than two-thirds of voters in the District authorized the issuance of not-to-exceed \$9,240,000 aggregate principal amount of general obligations bonds to finance authorized school improvement measures ("Measure W"). In March 2002, the District issued the first and only series of bonds authorized by the 2001 Election, the Galt Joint Union Elementary School District (Sacramento County, California) 2002 General Obligations Bonds (the "2002 Bonds") in the aggregate principal amount of \$9,238,684.

In June 2012, the District issued the Galt Joint Union Elementary School District (Sacramento County and San Joaquin County, California) 2012 General Obligation Refunding Bonds (the “2012 Refunding Bonds”) in the aggregate principal amount of \$7,880,000 to refund a portion of the 2002 Bonds.

**Outstanding General Obligation Bonds
Galt Joint Union Elementary School District**

<u>Issue</u>	<u>Date Issued</u>	<u>Final Maturity</u>	<u>Principal Amount Issued</u>	<u>Debt Service in 2016-17</u>	<u>Outstanding Principal as of April 30, 2017¹</u>
2002 Bonds	March 2002	August 1, 2026	\$9,238,684	\$0	\$258,684
2012 Refunding Bonds	June 2012	August 1, 2024	7,880,000	<u>644,584</u>	<u>5,870,000</u>
Total				\$644,584	\$6,128,684

¹Excludes the accreted value of capital appreciation bonds.

The District has not defaulted on the payment of principal of or interest on any of its long-term indebtedness in the past ten years.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND EXPENDITURES

Background

From the Separation of Sources Act (1910) until Proposition 13 (1978), local governments had control over property tax rates and revenues within their jurisdiction. Voter approval was not required for most taxes, charges or fees imposed by local governments. Each school district in the State raised revenue by taxing local property owners according to a tax rate established by its governing board, subject to voter approval, and received some supplemental funds from the State. The State’s role in providing for public education and education facilities was limited during this time. Local school districts relied largely on general obligation bonds as the primary source of funding for school facilities.

The passage of Proposition 13 brought this local property tax system to an end, fundamentally changing local government finance. Local government entities are no longer authorized to levy a general tax rate. Instead, they share in the revenues generated by Proposition 13’s countywide tax rate. In the year following the passage of Proposition 13, local property tax revenue across the State fell approximately 60 percent. In order for school districts to continue operating, the State had to assume primary responsibility for public school funding, replacing the lost property tax revenue with moneys from the State general fund. As a result of Proposition 13, control over revenues shifted away from local school districts to the State government. Proposition 13 also eliminated the ability of school districts to issue bonds; for a decade, the State provided some of the cost of school facilities projects until the passage of Proposition 46 (1986) restored the ability of school districts to issue such bonds.

Article XIII A of the State Constitution

Article XIII A, added to the State Constitution by Proposition 13 and amended over time, limits the *ad valorem* tax rate that can be levied on real property to one percent of its “full cash value” except to pay debt service, discussed below. “Full cash value” is defined as the property’s assessed value as of the fiscal year 1975-76 tax bill, annually increased by the lesser of either two percent or the rate of inflation. Subsequently, the property is reappraised for tax purposes upon a change in ownership or new construction. Several types of changes in ownership and construction have been exempted from the reassessment requirement by amendment, including improvements for seismic retrofit, solar energy, fire prevention, disability access, certain purchases of replacement dwellings for persons over age 55 and by property owners whose original property is destroyed in a declared disaster, and certain transfers of property between family members.

In most years, the market value of a property increases at a rate greater than the maximum two percent increase a county is allowed to calculate. As amended by Proposition 8 (1978), Article XIII A allows for a county to temporarily reduce the assessed value to current market value when the market value of the property falls below the property's adjusted acquisition value due to an economic recession, natural disaster or other cause of damage. In years in which reduced reassessments are widespread, property tax revenue available to local governments such as school districts is reduced. Pursuant to interpretation of the Revenue and Taxation Code and upheld by State courts, once the market has rebounded or the property has been repaired to substantially its original condition, a county may increase the assessed value of the property at a rate greater than two percent annually until it has reached the property's pre-decline assessed value.

As a result of these laws, real property that has been owned by the same taxpayer for many years can have an assessed value that is much lower than the market value of the property and of similar properties more recently sold. Likewise, changes in ownership of property and reassessment of such property to market value commonly lead to increases in aggregate assessed value even when the rate of inflation or consumer price index would not permit the full two percent increase on any property that has not changed ownership. Any increase or decrease in assessed valuation is allocated among the various jurisdictions.

The one percent tax is levied and collected by each county, and the revenue is apportioned by the county to each local government agency in the taxing area roughly in proportion to the relative shares of taxes as levied prior to 1979. Local government agencies, including school districts, may not directly levy any *ad valorem* tax, unless the tax is levied to pay debt service (interest and redemption charges) on a local government's indebtedness approved by voters prior to July 1, 1978 or thereafter, as amended by Proposition 46 (1986), bonded indebtedness for the acquisition or improvement of real property approved by a two-thirds majority. In addition, Proposition 39 (2000) added a provision allowing for a lowered voter approval rate specifically for bonds to fund school facilities projects. A school district or community college district may levy *ad valorem* taxes in excess of one percent with 55 percent voter approval if the bonds will be used for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities. The measure must include the specific list of projects to be funded and certification that the school district's governing board has evaluated safety, class size reduction, and information technology needs in developing the list, and must conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Pursuant to legislation, the projected tax rate per \$100,000 of taxable property value levied as the result of any single election may be no more than \$60 in a unified school district, \$30 in a high school or elementary school district, or \$25 in a community college district.

Constitutional Protection For Owners of Municipal Securities

State law imposes a duty on the county tax collector to levy a property tax sufficient to pay debt service on voter-approved indebtedness as discussed above. The initiative power cannot be used to reduce or repeal the authority and obligation of a local government, such as a school district, to levy taxes pledged as security for payment of general obligation bonds or to otherwise interfere with performance of the duty of a local government, such as a school district, and the county with respect to such taxes. Although the initiative power may be used to reduce or repeal other types of charges or taxes imposed by local governments under Article XIII C, discussed below, the law may not be construed to mean that any owner or beneficial owner of a municipal security assumes the risk of or consents to any initiative measure that would constitute an impairment of contractual rights under the contracts clause of the U.S. Constitution.

Article XIII B of the State Constitution

Article XIII B, added to the State Constitution by Proposition 4 (1979) (the "Gann Limit"), amended by Proposition 111 (1990), limits the amount of certain funds, including tax revenues, that may be annually appropriated by the State and local governments, including school districts, to the amount appropriated the prior year, adjusted to reflect the rate of economic growth by measuring the change in *per capita* personal income and population. Certain payments are exempt from the appropriations limit calculation, including debt service payments; certain benefit payments, mandated expenses, State payments to school districts and community college districts, increases in revenues gained from fuel, vehicle and tobacco taxes, emergency appropriations; and qualified capital outlay projects (projects involving fixed assets such as land or construction that have an expected life of more than ten years and a value greater than \$100,000).

Tax revenues in excess of the appropriation limit are shared between increased education funding and taxpayer rebates. Calculated over two years, half of any excess is transferred to K-14 school districts and half is returned to taxpayers through a revision of tax rates within two fiscal years. Any such excess revenues transferred to K-14 school districts are not counted as

part of the school districts' base expenditures for calculating their entitlement for State aid in the next year, nor is the State's appropriations limit increased by this amount. If a K-14 school district's revenues exceed its appropriations limit, the school district may increase its appropriations limit to equal its spending by borrowing from the State's appropriations limit.

Articles XIIIIC and XIIID of the State Constitution

Articles XIIIIC and XIIID, added to the State Constitution by Proposition 218 (1996) and amended over time, limit the ability of local governments, including school districts, to levy and collect non-*ad valorem* taxes, assessments, fees and charges. The law establishes that a tax must be either a "general" tax, requiring the approval of a simple majority of voters, the proceeds of which can only be used for general government purposes, or a "special" tax, requiring the approval of two-thirds of voters, the proceeds of which are used for a specific purpose, or if the tax is levied by a special-purpose government agency, including a school district. Any tax levied on property, other than the *ad valorem* tax governed by Article XIIIIA, is a special tax, requiring the approval of two-thirds of voters. Special-purpose government agencies, such as a school district, cannot levy general taxes.

The initiative power can be used to reduce or repeal most local taxes, assessments, fees and charges. Article XIIID deals with assessments and property-related fees and charges and expressly cautions that its provisions shall not be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development; however it is not clear whether the initiative power is available to repeal or reduce developer and mitigation fees imposed by the District. The District has no power to impose taxes except those property taxes associated with a general obligation bond election, following approval by 55 percent or two-thirds of the District's voters, depending upon the legal authority for the issuance of such bonds.

As amended by Proposition 26 (2010), the law defines any levy, charge, or exaction of any kind imposed by a local government as a tax requiring voter approval. The following exceptions do not require voter approval: a reasonable charge for a specific benefit, privilege, product or service that is received only by the payor of the charge; a reasonable charge for regulatory costs of issuing a license or permit, performing an inspection or audit, or enforcing an order; a charge for use, rental, or purchase of government property; a charge, fine or penalty for violation of law; and assessments and property-related fees imposed as a condition of property development. Although such fees and charges levied by one taxing jurisdiction do not directly impact the amount of revenue available to another taxing jurisdiction from *ad valorem* property taxes, if the ability to impose the fee or charge is restricted, it could indirectly impact such revenues.

Minimum Guarantee of State Funding for Education

Proposition 98 (1988), added Article XVI to the State Constitution, requiring that "from all State revenues there shall first be set apart the moneys to be applied by the State for support of the public school system and higher education." Known as the "minimum guarantee," funding for K-14 school districts, made up of a combination of State general fund income tax revenues and local property tax revenues, must be the greater of either the same percentage of State general fund revenues as was appropriated in fiscal year 1986-87, or the amount actually appropriated to such districts from the State general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The minimum guarantee allocated each year, determined by a set of tests, is approximately 40 percent or more of State general fund revenues.

Test 1 (share of the State general fund) allocates approximately 41 percent of the State general fund revenue to K-14 school districts. Test 1 only applies if Test 2 or Test 3 (described below) does not result in additional funding for K-14 school districts. Test 1 has been used 4 times in the last 29 years, including fiscal year 2014-15. Test 2 (personal income) provides that K-14 school districts shall receive at least the same amount of combined State aid and local tax dollars as was received in the prior year, adjusted for the statewide growth in K-12 ADA and an inflation factor equal to the annual percentage change in *per capita* personal income. Test 2 is used if it results in more funding for K-14 school districts than Test 1 (unless Test 3 applies instead). Test 2 has been used in 14 of the past 29 years, including fiscal year 2015-16. Test 3 (available revenues) only applies in years in which the annual percentage change in *per capita* State general fund tax revenues plus one-half percent is lower than the "Test 2" inflation factor (*i.e.*, the change in *per capita* personal income), in which case the inflation factor is reduced to the annual percentage change in *per capita* State general fund tax revenues plus one-half percent. Test 3 has been used 9 of the past 29 years, including fiscal year 2016-17.

In any year in which Test 3 is used, the difference between the amount appropriated and the amount that would have been appropriated under Test 2 is considered a "maintenance factor" credit to K-14 school districts, to be restored in future years

when State revenue growth rebounds to exceed personal income. In years of economic hardship, the State Legislature can suspend the minimum guarantee for a year by a two-thirds vote, which also triggers the maintenance factor obligation, to be restored in later years. Such suspension has only occurred twice, in fiscal years 2004-05 and 2010-11. The State Legislature has the authority to spend more than the minimum guarantee, although any increase creates a higher minimum floor for the following year; this has occurred from time to time. At times, the State also has had outstanding one-time Proposition 98 obligations known as “settle-up” obligations. A settle-up obligation is created when the minimum guarantee increases midyear and the State does not make an additional payment within that fiscal year to meet the higher guarantee. The increased amount is used as the base for the following year’s minimum guarantee. Settle-up funds can be used for any educational purpose, including paying off other state one-time obligations, such as deferrals and mandates. In fiscal year 2016-17, the State is projected to reduce the outstanding maintenance factor obligation to approximately \$548 million.

Community Redevelopment and Revitalization

Beginning with the Community Redevelopment Act (1945) under Article XVI of the State Constitution, amended over time, until the termination and dissolution of the program in 2011, a local government could improve an economically depressed area by creating a redevelopment agency (an “RDA”) to pay for development projects with the future increase in property tax revenue, or “tax increment,” attributable to the growth in assessed value of taxable property within the project area when the project was complete. However, the allocation of the tax increment to the local RDA caused a reduction in the one percent countywide property tax levy for other local taxing agencies, including school districts, although *ad valorem* property taxes in excess of the one percent property tax levy collected for payment of debt service on school district bonds were not affected. Although a school district could negotiate with the RDA for “pass-through” payments of local tax revenues, because the State was replacing the school district’s lost tax revenue, there was little incentive for most school districts to negotiate for greater amounts of pass-through from the RDAs. The State’s share of reimbursements to such school districts soared into the hundreds of millions of dollars per year.

Facing economic crisis, Assembly Bill, First Extended Session 26 (“AB1X 26”) (2011), upheld by the State Supreme Court in *California Redevelopment Association v. Matosantos* (2011), was enacted to dissolve the more than 400 RDAs in the State to preserve funding for core public services at the local level. Successor agencies were established to facilitate the management of projects underway, making payments on enforceable obligations, and disposing of assets and properties. Senate Bill 107 (2015) streamlined the dissolution process and expanded the types of loans for which cities and counties can seek reimbursement. Some school districts receive pass-through payments during the dissolution process. See “DISTRICT FINANCIAL INFORMATION—Revenues” herein.

Assembly Bill 2 (“AB2”) (2015), the result of several legislative efforts to replace the redevelopment law in order to provide local government options for sustainable community economic development, is a limited version of the former law, targeting only the State’s most impoverished areas. AB2 allows a local government to create a community revitalization investment area (“CRIA”) if several conditions are met, including measures of unemployment, crime, and dilapidated infrastructure and residential structures, which are required to insure that the CRIA process is actually used for the intended purpose of alleviating blight. Significantly, school districts are prohibited from participating in the CRIA; because schools may not contribute their share of the tax increment to the project area, the funding impact to schools and the State is avoided. Assembly Bill 2492 (2016) was enacted that clarified implementation issues of AB2.

Limits on State Authority Over Local Tax Revenues

State and local governments’ funding and responsibilities are interrelated. Both levels of government share revenues raised by certain taxes such as sales and fuel taxes, and both also share in the costs for some programs such as health and social services. Although the State does not receive local property tax revenue, it has had authority over the distribution of these revenues among local agencies and school districts. Under Article XIII A, the State had the authority to permanently shift property taxes among local governments. At times, the State fulfilled some portion of the Proposition 98 minimum guarantee by shifting some of the property tax revenues share belonging to cities, counties, other special districts and redevelopment agencies to K-14 school districts through an Educational Revenue Augmentation Fund (“ERAF”) established in each county.

Proposition 1A (2004) amended Articles XI and XIII of the State Constitution to require two-thirds approval of the State Legislature to shift property tax revenues allocation between local governments, preventing the State from reducing the property tax share allocated to cities, counties, and special districts. However, the State could still transfer property tax revenues to schools in the case of severe fiscal hardship and two-thirds approval of the State Legislature.

Proposition 22 (2010) amended Articles XIII and XIX of the State Constitution to further restrict the State's control over local property taxes in order to stabilize local government revenue sources. Even during times of severe fiscal hardship, the State could not take revenue derived from locally imposed taxes, such as parcel taxes, hotel taxes, utility taxes, and sales taxes, for State purposes, nor could the State delay distribution of tax revenues to local governments, redirect redevelopment agency property tax revenue to other local governments such as school districts, or shift money to the school districts under an ERAF. As a result, the State would have to take other actions to balance its budget in some years, such as reducing State spending or increasing State taxes. Proposition 22's restriction of the State's ability to shift local funds made K-14 school districts more directly dependent on the State general fund for Proposition 98 funding.

Deferrals of Payments Owed to K-14 School Districts

Beginning fiscal year 2001-02, as a temporary budget solution, the State postponed, or deferred, payments owed to K-14 school districts for a few weeks, allowing the State to save money while school districts continued to operate by borrowing money or dipping into reserves. Because the deferral lasted only a matter of weeks, there was little impact on school district finances or operations. However, especially during the last recession, the State came to rely excessively on deferrals of payments to K-14 school districts to balance the State budget. As both the length and the amount of deferrals increased, the State withheld several billions of dollars from school districts, resulting in a financial crisis for K-14 school districts which could no longer borrow enough or find reserves to cover the funding shortfall, and program reduction and teacher layoffs ensued. State reliance on payment deferrals peaked in fiscal year 2011-12 when the State deferred approximately 20 percent of all K-14 school district funding. Increasing deferrals authorize school districts to spend at a level of programming the State cannot afford, making the State budget less transparent, and create large future obligations of the State to repay the deferrals. However, as the economy has rebounded, the State has made the repayment of deferrals a priority, and repayment of the deferrals was completed in fiscal year 2015-16.

Temporary State Tax Increases

From 2008 to 2012, the State eliminated more than \$56 billion from State and local funding for local services including education, police, fire, and health care. Proposition 30 (2012) allows the State to levy a temporary sales tax (lasting four years) and income tax on high-income earners (lasting seven years), the revenues of which are dedicated to increased education funding and to balance the State budget. Existing law requires that in years in which the State's general fund revenues grow by a large amount funding for education must also be increased by a large amount. The tax revenues allocated to education as part of the minimum guarantee are deposited into the Education Protection Account ("EPA"), recalculated and distributed quarterly to K-14 school districts (89 percent to K-12 school districts and 11 percent to community college districts) as a continuing appropriation not subject to budget adoption. The funds are distributed in the same manner as existing unrestricted per-student funding. The Proposition 30 tax revenue is included in the Proposition 98 calculation, raising the guarantee by billions each year. The remaining Proposition 30 tax revenues will be used to balance the budget.

Proposition 55 (2016) extends the income tax increase on high-income taxpayers through the year 2030-31. Approximately half of the revenue raised by this measure is allocated to K-14 school districts. The measure also directs half of any excess revenues, up to a maximum of \$2 billion, for additional funding for Medi-Cal, if revenues exceed the constitutionally required education spending and the costs of government programs in place as of January 1, 2016. A portion would also be saved in reserves and spent on debt payments. Any remaining revenues would be available for any State purpose.

Enacted Budget Required for Disbursement of State Funds

In years in which the State Legislature has not been able to enact a budget by the required deadline, the fiscal year begins without an enacted budget, and the State has, in some cases, issued registered warrants, or IOUs, to pay certain State employees' wages and State debts. In 1988, during such a budgetary impasse, a taxpayers' association argued that such warrants were not authorized without an enacted budget. In the case, known as *Jarvis v. Connell*, the State Court of Appeal held that, without an enacted budget, State funds may not be disbursed unless the payment is authorized by the State Constitution, as a continuing appropriation, or by federal mandate.

This could affect school district budgets to the extent that, if there is neither an enacted budget nor emergency appropriation, State payments owed to school districts could be delayed unless they are required as a continuing appropriation or federal

mandate. As upheld by the State Supreme Court in 2003, the State is not authorized to disburse funds without an enacted budget or other appropriation, but under federal law is required to pay State employees who are protected by federal wage laws under the Fair Labor Standards Act.

State and School District Budgetary Reserves

Proposition 58 (2004) amended Article IV of the State Constitution to require the State to enact a balanced budget, in which estimated revenues would meet or exceed estimated expenditures in each year, and that mid-year adjustments be made if the budget fell out of balance. The law established the Budget Stabilization Account (“BSA”) in the State’s general fund, which required a deposit of three percent of the State general fund each year.

Proposition 2 (2014) addressed the need for long-term financial stability in the State in the face of economic volatility by dedicating funds to pay down the State’s debt, changing the State’s reserve policies, and creating a separate budget reserve for K-14 school districts called the Public School System Stabilization Account (“PSSSA”). The law reduced legislative discretion over the timetable for the repayment of State debts and required that 1.5 percent of the State general fund be deposited into the BSA annually, plus an additional amount when the State experiences spikes in capital gains tax revenue in excess of eight percent of State general fund revenues. The PSSSA, also funded with capital gains spikes, is drawn upon when the Proposition 98 minimum guarantee exceeds available State general fund and property tax revenues. Through 2030, half of the funds deposited each year into the BSA must be used to pay fiscal obligations such as budget loans and unfunded State level pension plans. Funds may be withdrawn from BSA only for a disaster or if, over three years, spending does not rise above the highest level of spending. In the case of a recession, only half of the funds can be withdrawn. As a result, a large amount of incremental gains in the State’s general fund revenues are allocated to building reserves and repaying debt.

The State has a constitutional obligation to ensure that school districts continue to operate even in times of financial difficulty so that the education of students in the State is not disrupted. The State requires school districts to maintain a minimum reserve in their general fund’s Reserve for Economic Uncertainties to help school districts manage cash flow, address unexpected costs, save for large purchases, reduce costs of borrowing money, and mitigate the volatility in funding produced by the reliance on tax revenue funding sources. The minimum reserve amount required depends on the size of the school district’s enrollment. Smaller school districts are required to keep a higher percentage of reserves because they are more easily overwhelmed by unexpected costs, such as a single major facility repair, which could deplete most of its reserves in a single year. School districts with enrollment of 300 or fewer students, which represent 25 percent of school districts in the State, must keep a minimum reserve of five percent of expenditures. School districts with enrollment of 301 to 1,000 students, which represent 17 percent of school districts in the State, must keep a minimum reserve of four percent. School districts with enrollment of 1,001 to 30,000 students, which represent 55 percent of school districts in the State, must keep a minimum reserve of three percent. School districts with enrollment of 30,001 to 400,000 students, which represent three percent of school districts in the State, must keep a minimum reserve of two percent. The one school district in the State with an enrollment of 400,001 or more students must keep a minimum reserve of one percent. Many school districts attempt to keep their reserve levels higher than State minimum requirements, from five percent to as much as 25 percent of expenditures. A 17 percent reserve is equal to approximately two months of expenditures and is a standard reserve level for local public agencies.

Senate Bill 858 (2014), enacted as trailing legislation to the State budget, requires school districts, in the event of a deposit by the State to the PSSSA, to reduce total assigned and unassigned reserves to no more than twice its minimum reserve for economic uncertainty, ranging from one to five percent of expenditures depending on the size of the school district. County education officials could exempt a school district from the cap if the school district demonstrates extraordinary fiscal circumstances, including undertaking multi-year infrastructure or technology projects. A smaller reserve could affect the school district’s financial condition in the event of an economic downturn. The District cannot predict or when a deposit to the PSSSA might occur or whether future legislation will be enacted that changes this requirement.

School Facilities Funding

The Leroy F. Greene School Facilities Act (1998) established the State Facilities Program (“SFP”) to allocate funding grants based on proposals submitted by school districts for the new construction of or the modernization of existing school facilities, although the program has evolved to allow funding for other types of school facility needs including facility hardship, seismic mitigation, charter school facilities, relief of overcrowding, career technical education facilities, incentives for energy efficiency and high-performance architectural attributes, and joint-use programs with other government entities.

Funding for SFP grants comes from statewide general obligation bonds approved by the voters in the State. The State retires these bonds by making annual debt service payments. In fiscal year 2016-17, the State will pay \$2.4 billion in debt service on previously issued K-12 facilities bonds and \$300 million in debt service on community college facilities bonds. Proposition 1A (1998) provided \$9.2 billion (\$6.7 billion for K-12 facilities), Proposition 47 (2002) provided \$13.2 billion (\$11.4 billion for K-12 facilities), Proposition 55 (2004) provided \$12.3 billion (\$10 billion for K-12 facilities), Proposition 1D (2006) provided \$10.4 billion (\$7.3 billion for K-12 facilities), and Proposition 51 (2016), the first initiative facilities bond measure, provides \$9 billion (\$6 billion for K-12 facilities). The payment the State must make on Proposition 51 will average approximately \$500 million per year.

Proposition 51 amends the Education Code, prescribing the fiscal allocation and purpose of the \$9 billion bond and establishing the 2016 State School Facilities Fund and the 2016 California Community College Capital Outlay Bond Fund in the State Treasury. Of the total amount, \$6 billion is allocated to K-12 facilities (half for new construction and half for modernization), \$500 million for charter schools, \$500 million for career technical education programs, and \$2 billion to community colleges.

In most cases, K-12 school and community college districts that receive funding for approved projects must match the funding with local funding according to the type of project. Projects for the purchase of land and new construction are matched evenly. Modernization projects require a match of 40 percent local funding to 60 percent State funding. If no local funding is available, the school district can apply for additional grant funding. Community college projects do not have a specified contribution model and are determined individually. K-12 school and community college districts may sell local general obligation bonds to cover the school district's share of the cost of facility projects. K-12 school districts may also raise funds for facilities by charging fees on new development (community college districts may not). Both K-12 school and community college districts may also raise funds by parcel taxes and other methods used less frequently.

Impact of Future Legislation

Laws affecting school district funding and the power of State and local governments to raise and spend revenue have been subject to many changes as voters and lawmakers react to economic and political cycles. The complex patchwork of the many different provisions at times results in uncertainty regarding their operation or interpretation. Many of the laws discussed above were enacted through the State's initiative process. Initiative constitutional amendments may be changed only by another statewide initiative. Legislative constitutional provisions may be changed by a majority vote of both houses of the State Legislature and approval by the Governor of California (the "Governor"), if the change furthers the purposes of the provision. The District cannot predict whether or when the voters in the State or the State Legislature will approve further legislation that could restrict the District's sources of revenue or its ability to spend that revenue, or require the District to appropriate additional revenue.

FUNDING OF PUBLIC EDUCATION IN THE STATE

Sources of Revenue for Public Education

There are four general sources of funding for K-12 public education in the State: the federal government, local property taxes, other local funding sources and State funding, the principal source of funding for most school districts. Proposition 13 eliminated the possibility of raising additional *ad valorem* property taxes above one percent for general-purpose school support, and the courts have declared that school districts may not charge fees for school-related activities, unless the charge is specifically authorized by law for a particular program or activity. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND EXPENDITURES" herein.

State Funding. Many school districts in the State receive the majority of their funds from the State. In fiscal year 2016-17, State funds are expected to account for approximately 60 percent of State K-12 public education funding. There are three sources of State funds for K-12 public education: the Proposition 98 minimum guarantee, comprised of a combination of State general fund revenues and local property tax revenues, representing the majority (88 percent in fiscal year 2014-15) of State funding; additional State funds for targeted programs such as facilities and remaining categorical programs such as special education, nutrition, afterschool programs, and home-to-school transportation; and State lottery funds, a portion of which may

only be used for instructional purposes. The Proposition 98 guaranteed minimum amount is set forth each year in the State budget. See “—The 2016-17 State Budget” and “—The Proposed 2017-18 State Budget” herein.

More than 60 percent of the State’s general fund revenue comes from personal income taxes, with capital gains taxes representing more than ten percent of the State’s general fund revenue, so a downturn in the stock market may significantly impact the State’s general fund. Because funding for education in the State depends on the amount of money available in the State general fund, the linkage can result in significant volatility in education funding. For instance, during the recent recession in fiscal year 2011-12, State general fund revenues available for education funding were approximately eight percent less than the amount available four years prior. Provisions added to the State Constitution and statutes in 2013 and 2014 attempt to provide funding stability to public education by capturing spikes in capital gains revenue to use for paying down debts and obligations and to create reserves. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND EXPENDITURES” herein.

Revenue Limit Funding. The State Revenue Limit was instituted in fiscal year 1973-74 to provide a mechanism to calculate the total amount of general-purpose revenue a school district, community college district or county office of education is entitled to receive from combined State and local sources per average daily attendance, known as its “revenue limit,” and the funding from this calculation formed the bulk of school districts’ income, and was annually increased to adjust for changes in the cost of living. The revenue limit for each school district or county office of education was funded first by the property tax revenue available to that entity, with the remaining balance filled by State funds. “Basic aid” districts, whose local property tax revenues exceeded their calculated revenue limit, did not receive State revenue limit funding, although such districts did receive the constitutionally required minimum funding, or “basic aid” per pupil, and categorical State and federal aid that was restricted to specific programs and purposes.

Local Control Funding Formula (LCFF). In landmark legislation, the fiscal year 2013-14 State budget replaced revenue limit funding with the LCFF. The LCFF transfers control over spending decisions to local authorities, requiring community input about those spending decisions along with increased transparency and accountability for the outcomes of those decisions. The general-purpose funds for school districts are now funneled through LCFF, and funds received through categorical programs are greatly reduced. As under the revenue limit system, the amount a school district is entitled to receive for general-purpose LCFF funds is financed through the local property tax revenue available to the school district, with the remaining balance funded by the State.

Most public education funding from the State is provided through the LCFF, including approximately 80 percent of Proposition 98 funding for K-12 public education. As under the revenue limit, school districts continue to receive funds based on the greater of prior year or current year ADA figures. Under LCFF, school districts across the State receive the same base grants for each grade span, based on ADA. In fiscal year 2016-17, the base grants are \$7,820 for kindergarten through third grade, \$7,189 for fourth through sixth grade, \$7,403 for seventh through eighth grade, and \$8,801 for ninth through twelfth grade. These figures include increases for class size reduction for kindergarten through third grade and career technical education for ninth through twelfth grade.

School districts receive a supplemental grant of 20 percent of the base grant for each student in the school district who is low-income, English-learner, or foster youth. Enrollment counts are “unduplicated,” such that students may not be counted as both English-learner and low-income (foster youth automatically meet the eligibility requirements for free or reduced-price meals, and are therefore not discussed separately). School districts with more than 55 percent enrollment of unduplicated students receive a concentration grant, an additional 50 percent of the base grant for each unduplicated student above the threshold, intended to address the additional academic challenges faced by such students when their peers are similarly disadvantaged. The supplemental and concentration grants are allocated so that as a school district’s proportion of unduplicated students increases, so does its total funding allocation. A school district in which 100 percent of enrollment is unduplicated students will receive 42.5 percent more total funding than a school district with no unduplicated students. The supplemental and concentration grant amounts are based on the unduplicated count of pupils divided by the total enrollment in the school district, based on the fall P-1 certified enrollment report. School districts have broad discretion to decide how to spend the base grant. The supplemental and concentration grants must be used to increase or improve services to the population they are intended to serve, although some services may be provided district- or site-wide.

The implementation of LCFF began in fiscal year 2013-14, with full implementation planned by fiscal year 2020-21. Until full implementation has occurred, the difference between the actual amount districts receive in a year and the target amount they will receive as of full implementation is referred to as the “funding gap.” The funding gap is determined by the difference between the “funding floor,” or amount of funding a school district received the prior year, and the target amount of funding the school district will receive at full implementation. The funding floor consists of fiscal year 2012-13’s deficated

revenue limit divided by ADA multiplied by current year ADA, plus the sum of any categorical funding. Sufficient funding was available to fund 12 percent of the funding gap in fiscal year 2013-14, 33 percent of the gap in fiscal year 2014-15; and 52 percent of the gap in fiscal year 2015-16; projected funding of 54 percent of the gap in fiscal year 2016-17, the fourth year of implementation of LCFF, will bring LCFF to 96 percent of full implementation.

Under the “hold harmless” provision, no school district will receive less State aid than it received in fiscal year 2012-13. Most districts will receive more funding at full implementation of LCFF than they did previously under the revenue-limit system. For some school districts, their per-pupil undeficit fiscal year 2012-13 funding was higher than their LCFF entitlement at full implementation. Such districts will have their undeficit funding level restored through a supplemental ERT add-on payment. School districts that are eligible for ERT funding will receive the difference between their LCFF target and their LEA’s fiscal year 2012-13 undeficit funding, adjusted for cost-of-living increases.

Basic aid districts continue to receive at least the amount of State funding they received in fiscal year 2012-13. Although basic aid districts do not receive LCFF funding grants, they must comply with the regulations and accountability requirements of LCFF. Basic aid districts also continue to receive the constitutionally guaranteed \$120 per-pupil minimum from under the revenue limit, as well the \$200 per-pupil minimum from the EPA pursuant to Proposition 30 as additional revenue. The District is not a basic aid district.

The State funds school districts in monthly installments based on calculations made in a series of three apportionments throughout the fiscal year. Each apportionment includes funding for the LCFF and for other State programs. The amount of each apportionment is based on calculations made by each school district and reviewed by its county office of education. The Advance Principal Apportionment (“Advance Apportionment”), certified by July 20, sets forth the amount the school district will receive for the year, paid in a series of installments from August through January. The First Principal Apportionment (“P-1 Apportionment”), certified by February 20, set forth a new calculation based on the school district’s first period ADA determined as of December, for installments that will be paid to the school district from February through June. The Second Principal Apportionment (“P-2 Apportionment”), certified July 2, based on second period ADA determined as of April, recalculates the amount of the final installment for the fiscal year paid to the school district in July. At the close of the fourth quarter, a final annual recalculation (“Annual Apportionment”) provides an updated estimate of the prior year’s adjustment. In addition, under the EPA established for the deposit of revenues from the tax increase under Proposition 30 and extended under Proposition 55, school districts receive a quarterly allocation of the tax revenue received from the temporary tax increase under Proposition 30. The funds in the EPA are allocated between K-14 school districts by 89 percent and 11 percent, respectively, in quarterly allocations made in September, December, March and June each year. The amount received by a school district under EPA is a reduction to the aid the school district receives from the State applied at each principal apportionment certification. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND EXPENDITURES” herein.

The LCFF requires each school district to demonstrate that its spending decisions are producing the desired results of increased student performance as stated in each school district’s own LCAP. Each school district must create its own annually updated LCAP with input from teachers, parents and the community, including the parents or guardians of unduplicated students. School districts must review and share the results to determine whether spending achieved the goals stated in the LCAP, for each school site and for the school district as a whole. All school districts must use the State’s LCAP template beginning fiscal year 2014-15. The LCAP must include a description of the annual goals to be achieved for each student group for each State priority, including the content standards adopted by the State Board of Education. The LCAP of each school district is overseen and approved by the county superintendent.

Charter schools must comply with LCFF and receive mostly the same funds as public schools, although calculation of targeted disadvantaged students differs somewhat to prevent abuse of the system. There are also differences in the process of LCAP adoption and assessment. In the case of a charter school that fails to perform according to its LCAP, the State is not required to provide the same support that a public school district or county office of education receives, and its charter can be revoked.

Federal Funding. In fiscal year 2016-17, federal revenues account for less than ten percent of funding for school districts in the State. Most of these funds are designated for particular purposes. There are no unfunded federal education mandates; each is conditioned on a state’s voluntary decision to accept federal program funds. The primary source of federal supplemental education funding is the Elementary and Secondary Education Act (“ESEA”) (1965), enacted to address inequality in education. The previous authorization of ESEA, the No Child Left Behind Act (“NCLB”) (2001), expanded the federal government’s role and increased testing requirements to measure improvement. Most recently reauthorized under the Every Student Succeeds Act (“ESSA”) (2015), responsibility for school improvement has been shifted to the states. ESSA provides funding through six programs: Title I grants, tied to student assessment, to assist economically disadvantaged children; Title II

grants for professional development; Title III grants for ancillary student services; Title IV grants for research and training; Title V grants for state departments; and Title VI grants for special education. Another significant source of federal funding for school districts is the Education for All Handicapped Children Act (“EHA”) (1975), enacted to support special education and related services, reauthorized by the Individuals with Disabilities Education Act (“IDEA”) (1990). The largest of the law’s three sections, Part B, authorizes grants to states and local school districts to offset special education costs. As of fiscal year 2014, IDEA federal funding covered 16 percent of the estimated excess cost of educating students with disabilities; the shortfall is assumed by states and local school districts.

Local Property Tax Revenue. In fiscal year 2016-17, local property taxes are expected to account for approximately 25 percent of K-12 public education funding within the State. Property taxes are constitutionally limited to one percent of the property’s value, except to repay voter-approved debt.

Other Local Funds. In fiscal year 2016-17, miscellaneous local sources are expected to account for approximately five percent of K-12 public education funding within the State. There are several types of revenue a school district may receive from other local sources, including developer fees, parcel taxes, property lease revenues, and private donations. A school district may levy developer fees on new residential or commercial development within the school district’s boundaries to finance the construction or renovation of school facilities. A school district may, with two-thirds approval from local voters, levy special taxes on parcels to fund specific programs within the school district. A school district may lease or sell its unused sites or facilities as another source of revenue. A school district may also seek contributions, sometimes channeled through private foundations established to solicit donations from local families and businesses.

The State Budget Process

Under the State Constitution, money may be drawn from the California Centralized Treasury System (the “State Treasury”) only by an appropriation authorized by law. The primary source of annual appropriations authorizations is the budget act approved by the State Legislature and signed by the Governor (the “Budget Act”), which can provide for projected expenditures only to the amount of projected revenues and balances available from prior fiscal years.

The annual budget cycle begins when the Governor releases a proposed budget in January for the next fiscal year, which starts each July 1 and ends June 30. The Governor releases a revised budget in May based on new projections regarding State revenues and feedback from the State Legislature and other constituents. The State Constitution requires that the State Legislature pass the Budget Act by June 15 by majority approval from both Houses. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each House of the State Legislature.

Appropriations may also be included in legislation other than the Budget Act. Bills containing appropriations (including for K-14 education) must be approved by a majority vote in each House of the State Legislature, unless such appropriations require tax increases, in which case they must be approved by a two-thirds vote of each House of the State Legislature, and be signed by the Governor. The State Constitution or a State statute may also provide for continuing appropriations that are available without regard to fiscal year. Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt.

The 2016-17 State Budget

On June 27, 2016, the Governor signed the 2016 Budget Act and associated trailer bills to enact the fiscal year 2016-17 State budget (the “2016-17 State Budget”), a \$170.9 billion spending plan that continues the effort to prepare the State for an expected recession by increasing investment in reserves and limiting spending increases. The 2016-17 State Budget features an additional \$2 billion investment in the reserve fund as well as limited one-time spending initiatives that implement the State minimum wage increase, build affordable housing, repair infrastructure and address effects of the drought.

The 2016-17 State Budget includes State general fund revenues of \$123.6 billion, representing a four percent increase from fiscal year 2015-16, and State general fund expenditures of \$122.5 billion, representing a six percent increase from fiscal year 2015-16. The State’s general fund balance is budgeted to be \$2.7 billion at the end of fiscal year 2016-17. The 2016-17 State Budget funds the BSA to a total balance of \$6.7 billion by the end of fiscal year 2016-17, representing 54 percent of the funding goal.

The following table identifies historical and budgeted State general fund revenues, expenditures and fund balances.

**State General Fund
2016-17 State Budget**

	2014-15 <u>Revised</u> (Millions)	2015-16 <u>Revised</u> (Millions)	2016-17 <u>Budget</u> (Millions)
Prior-year Fund Balance	\$5,103	\$3,444	\$4,875
Revenues and Transfers	111,789	117,001	120,310
Expenditures	<u>113,448</u>	<u>115,571</u>	<u>122,468</u>
Ending Fund Balance	\$3,444	\$4,875	\$2,717
Encumbrances	966	966	966
Special Fund for Economic Uncertainties	2,478	3,909	1,751
Reserves			
Special Fund for Economic Uncertainties	\$2,478	\$3,909	\$1,751
Budget Stabilization Account	<u>1,606</u>	<u>3,420</u>	<u>6,714</u>
Total Reserves	\$4,084	\$7,329	\$8,465

Source: The State Legislative Analyst’s Office.

Education Funding. The Proposition 98 minimum guarantee for K-14 education funding continues to increase after reaching a low of \$47.3 billion in fiscal year 2011-12. The 2016-17 State Budget provides a minimum guarantee of \$71.9 billion to K-14 education, an increase of \$3.5 billion from fiscal year 2015-16 levels. Combined with increases of \$1.5 billion and other one-time savings and adjustments in fiscal years 2014-15 and 2015-16, the 2016-17 State Budget provides a total increase of \$5.9 billion for K-14 education. K-12 education is budgeted to receive \$63.5 billion of the \$71.9 billion Proposition 98 minimum guarantee to K-14 education. Proposition 98 K-12 expenditures are budgeted to be \$10,657 per-pupil in fiscal year 2016-17, an increase of \$440 per-pupil, or 4.3 percent, from revised fiscal year 2015-16 levels. Since fiscal year 2011-12, Proposition 98 funding for K-12 education has grown by more than \$21.7 billion, representing an increase of more than \$3,600 per student.

The Proposition 98 maintenance factor, created in years in which revenue growth is slow or decreases, is the difference between the funding level that would have been budgeted had revenue growth been stronger and the lesser amount that is actually budgeted. The maintenance factor is carried over from year to year until the State’s economy is strong enough to restore the difference by accelerating Proposition 98 funding and adjusted annually for changes in K-12 attendance and *per capita* personal income. The maintenance factor, which was approximately \$11 billion in fiscal year 2011-12, is projected to be reduced to an estimated \$908 million as of the end of fiscal year 2016-17.

LCFF Implementation: The 2016-17 State Budget provides an additional \$2.9 billion for LCFF spending, bringing total LCFF funding to \$55.8 billion, reaching approximately 96 percent of full implementation.

K-12 Mandates Backlog: The 2016-17 State Budget provides for \$1.3 billion to reimburse school districts for the costs of implementing State-mandated programs to substantially reduce outstanding mandate debt, for discretionary uses such as deferred maintenance, professional development or instructional materials. According to the State Legislative Analyst’s Office, this reduces the fiscal year 2016-17 K-12 mandates backlog to approximately \$987 million.

The 2016-17 State Budget also provides for certain one-time increases in Proposition 98 general funds for preschool and K-12 educational programs, including:

Proposition 39 Energy Efficiency: \$398.8 million in grants for improved energy efficiency in schools.

College Readiness: \$200 million in block grants over three years to improve eligibility for college admission, allocated based on unduplicated student count in grades 9-12, with a minimum grant per district or charter school of \$75,000.

Child Care and State Preschool: \$137.5 million for increased childcare provider rates; \$7.8 million for almost 3,000 additional full-day State preschool slots for children of low-income families.

Teacher Workforce: \$25 million (plus \$10 million in non-Proposition 98 funds) to fund teacher recruitment and training.

California Collaborative for Educational Excellence: \$24 million for the agency to assist local educational agencies in implementing individual LCAP priorities.

Charter School Start-Up: \$20 million in grants to offset loss of federal funds.

Multi-tiered Systems of Support: \$20 million in grants to improve student outcomes by providing layers of support that address students' academic, behavioral, social and emotional needs.

Proposition 47 Safe Neighborhoods and Schools Act: \$18 million in grants for restorative justice programs to prevent truancy and reduce dropout rates.

Safe Drinking Water In Schools: \$9.5 million in grants to improve access to safe drinking water for students at isolated and economically disadvantaged schools.

The following table identifies historical and proposed Proposition 98 funding.

**Proposition 98 Funding
2016-17 State Budget**

	2014-15 <u>Actual</u> (Millions)	2015-16 <u>Revised</u> (Millions)	2016-17 <u>Budget Act</u> (Millions)
By Segment			
K-12 Schools			
General Fund	\$44,251	\$43,340	\$44,465
Local Property Tax Revenue	<u>14,810</u>	<u>16,759</u>	<u>18,057</u>
Subtotal	\$59,061	\$60,099	\$62,522
Community Colleges			
General Fund	\$5,025	\$5,415	\$5,528
Local Property Tax Revenue	<u>2,306</u>	<u>2,569</u>	<u>2,767</u>
Subtotal	\$7,331	\$7,983	\$8,295
Preschool ¹	\$664	\$885	\$975
Other Agencies ²	<u>90</u>	<u>82</u>	<u>83</u>
Total	\$67,146	\$69,050	\$71,874
By Fund Source			
General Fund	\$50,029	\$49,722	\$51,050
Local Property Tax Revenue	<u>17,117</u>	<u>19,328</u>	<u>20,824</u>
Total	\$67,146	\$69,050	\$71,874

¹Beginning in fiscal year 2015-16, includes \$145 million for wraparound care formerly funded with non-Proposition 98 State general fund.

²Includes State agencies providing direct instruction to K-12 students. Consists entirely of State general fund.

Source: The State Legislative Analyst's Office.

The Proposed 2017-18 State Budget

On January 10, 2017, the Governor released the proposed State budget for fiscal year 2017-18 (the “Proposed 2017-18 State Budget”). The \$179.5 billion budget proposal, comprised of \$122.5 billion general fund, \$54.6 billion special funds, and \$2.4 billion bond funds, reflects slowing revenue and uncertainty regarding future federal funding to the State as well as the possibility of an economic downturn. Projecting a \$1.6 billion deficit without corrective measures, the Governor proposes to eliminate certain planned spending increases to balance the budget, while preserving spending on education, the earned income tax credit, rising minimum wage, and extension of healthcare coverage and setting aside \$1.2 billion in the State’s Budget Stabilization Account/ Rainy Day Fund (BSA). Assuming implementation of the proposed corrective measures, total State general fund revenues and transfers are projected to be \$118.8 billion for fiscal year 2016-17 and \$124.0 billion for fiscal year 2017-18. Under the proposal, the State general fund is budgeted to have a fiscal year 2016-17 ending reserve of \$6.8 billion, increasing to \$9.4 billion at the end of fiscal year 2017-18, of which \$7.9 billion is allocated to the BSA, reaching 63 percent of the constitutionally established target for the reserve during fiscal year 2017-18. The proposal projects that the top three sources of revenue for the State’s general fund will consist of \$85.9 billion in personal income taxes, \$25.2 billion in sales and use taxes, and \$10.9 billion in corporation taxes.

The following table sets forth a summary of the State’s general fund budget for fiscal years 2015-16, 2016-17 and 2017-18.

**State General Fund
Proposed 2017-18 State Budget**

	2015-16 <u>Revised</u> (Millions)	2016-17 <u>Revised</u> (Millions)	2017-18 <u>Budget</u> (Millions)
Prior-year Fund Balance	\$3,508	\$5,024	\$1,028
Revenues and Transfers	115,500	118,765	124,027
Expenditures	<u>113,983</u>	<u>122,761</u>	<u>122,520</u>
Ending Fund Balance	\$5,024	\$1,028	\$2,535
Encumbrances	980	980	980
Special Fund for Economic Uncertainties	4,044	48	1,555
Reserves			
Special Fund for Economic Uncertainties	\$4,044	\$48	\$1,555
Budget Stabilization Account	<u>3,529</u>	<u>6,713</u>	<u>7,869</u>
Total Reserves	\$7,574	\$6,761	\$9,424

Totals may not foot due to rounding.

Source: The State Legislative Analyst’s Office.

Education Funding. Under the Proposed 2017-18 State Budget, \$52.2 billion of the general fund (42.6 percent of the State’s general fund) and \$104 million in special funds (together, 29.2 percent of the State’s total funds) would be spent on K-12 education. K-12 per pupil funding from all sources would be \$15,216 in fiscal year 2017-18 (\$10,910 from Proposition 98 general fund), an increase of approximately \$3,900 per pupil from fiscal year 2011-12 levels and approximately \$394 per pupil from fiscal year 2016-17 levels. The proposal provides a Proposition 98 minimum guarantee of \$73.5 billion in funding for K-14 education, an increase of \$26.2 billion (55 percent) over six years and \$2.1 billion from fiscal year 2016-17. Of the \$73.5 billion Proposition 98 minimum guarantee, \$64.0 billion would be allocated to K-12 education. According to current projections, Test 3 is operative in fiscal year 2017-18, as in the previous three years.

Compared to 2016-17 State Budget estimates, the Proposition 98 minimum guarantee has been revised downward by \$379 million in fiscal year 2015-16 and \$506 million in fiscal year 2016-17. These drops are primarily explained by reductions in estimated State revenue. State general fund tax revenue counting toward the Proposition 98 minimum guarantee has been revised downward by \$1.5 billion in fiscal year 2015-16 and \$1.6 billion in fiscal year 2016-17.

As a result of the lower revenue in fiscal year 2015-16, the State is no longer required to make the \$379 million maintenance factor payment included in the 2016-17 State Budget. In fiscal year 2016-17, the State creates a somewhat higher new maintenance factor obligation (\$838 million, as compared to the \$746 million obligation assumed in the 2016-17 State

Budget). The Proposed 2017-18 State Budget creates a new maintenance factor obligation in fiscal year 2017-18 of \$219 million, bringing the total outstanding obligation to \$1.6 billion.

The Governor proposes to reduce Proposition 98 spending to match the lower revised estimates of the fiscal years 2015-16 and 2016-17 minimum guarantees. To reduce spending in fiscal year 2015-16, the Governor would shift \$310 million of previously appropriated discretionary school payments from fiscal year 2015-16 to fiscal year 2016-17. To accommodate this shift of payments and reduce spending in fiscal year 2016-17, the Governor would defer an \$859 million payment for LCFF from June 2017 to July 2017, such that local educational agencies would receive 12 monthly LCFF payments as well as an additional one-time payment, for a total of 13 LCFF payments in fiscal year 2017-18. This delay would allow the State to count the payment toward the fiscal year 2017-18 guarantee instead of the fiscal year 2016-17 guarantee.

The proposal includes an investment of more than \$744 million for the fifth year of implementation of LCFF, providing funding for a statutory 1.48 percent COLA. Added to the \$15.7 billion in LCFF funding provided over the prior four years, the proposal would maintain LCFF funding at 96 percent of full implementation. K-12 student attendance grew in fiscal year 2015-16 to 5,971,343, but is projected to decline in fiscal years 2016-17 and 2017-18 to 5,958,933 and 5,958,288, respectively.

The Proposed 2017-18 State Budget also includes the following proposals with respect to K-12 education:

Discretionary Funding: \$287 million in one-time funding to local educational agencies to be used for any purpose, to pay down K-12 mandates backlog of unpaid reimbursement claims for State-mandated programs.

Career Technical Education (CTE): \$200 million in one-time funding for the third and final year of the CTE grant incentive program established in the fiscal year 2015-16 State budget.

ADA Adjustments: A \$93 million increase for projected growth in charter school ADA, a \$4.9 million decrease for a projected decline in special education ADA, and a \$168.9 million decrease for fiscal year 2016-17 and \$63.1 million decrease for fiscal year 2017-18 as a result of projected declines in school district ADA.

Local Property Tax Adjustments: A \$149.2 million decrease in fiscal year 2016-17, and a \$922.7 million decrease in fiscal year 2017-18, for school districts and county offices of education to offset higher property tax revenues.

Categorical Programs: A \$58.1 million increase to support a 1.48 percent COLA for categorical programs not covered by the LCFF.

Proposition 39 Energy Efficiency: \$422.9 million in grants for improved energy efficiency in K-12 public schools.

Proposition 47 Safe Neighborhoods and Schools: \$10.1 million in grants for restorative justice programs to prevent truancy and reduce dropout rates.

Proposition 56 Tobacco Free Kids: \$29.9 million to fund tobacco and nicotine prevention programs in K-12 public schools provided by increased State sales tax on cigarettes.

Proposition 51 School Construction Bonds: \$594 million from the sale of school construction bonds for K-12 public schools.

Mandated Reporter: An \$8.5 million block grant for mandated reporter training of school employees.

Child Care and State Preschool: The proposal would largely suspend implementation of the increases, planned over four years, to childcare provider rates and additional full-day State preschool slots for children of low-income families initiated in the 2016-17 State Budget, extending implementation of the program through fiscal year 2020-21.

The following table identifies historical and proposed Proposition 98 funding under the Proposed 2017-18 State Budget.

**Proposition 98 Funding
Proposed 2017-18 State Budget**

By Segment	<u>2015-16</u> <u>Revised</u> (Millions)	<u>2016-17</u> <u>Budget Act</u> (Millions)	<u>2017-18</u> <u>Budget Act</u> (Millions)
K-12 Schools			
General Fund	\$42,719	\$43,829	\$44,811
Local Property Tax Revenue	<u>17,052</u>	<u>18,236</u>	<u>19,200</u>
Subtotal	\$59,770	\$62,064	\$64,012
Community Colleges			
General Fund	\$5,304	\$5,443	\$5,465
Local Property Tax Revenue	<u>2,630</u>	<u>2,803</u>	<u>2,959</u>
Subtotal	\$7,933	\$8,246	\$8,424
Preschool ¹	\$885	\$975	\$995
Other Agencies ¹	<u>82</u>	<u>83</u>	<u>80</u>
Total	\$68,671	\$71,368	\$73,511
By Fund Source			
General Fund	\$48,989	\$50,330	\$51,351
Local Property Tax Revenue	<u>19,681</u>	<u>21,038</u>	<u>22,160</u>
Total	\$68,671	\$71,368	\$73,511

¹Consists entirely of State general fund.
Totals may not foot due to rounding.
Source: The State Legislative Analyst's Office.

Future Budgets

The District cannot predict what actions will be taken in the future by the State Legislature and the Governor to address changing State revenues and expenditures or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. Certain actions could result in a significant shortfall of revenue and cash, and could impair the State's ability to fund schools as budgeted. State budget shortfalls in future fiscal years could have an adverse financial impact on the District.

For more information on the State budget, please refer to the State Department of Finance's website at www.dof.ca.gov and to the State Legislative Analyst's Office's website at www.lao.ca.gov. The District takes no responsibility for the continued accuracy of these Internet addresses or for the accuracy, completeness or timeliness of the information presented therein, and such information is not incorporated herein by such reference.

LEGAL MATTERS

No Litigation

There is no action, suit or proceeding known by the District to be pending or threatened restraining or enjoining the sale or delivery of the Bonds, or in any way contesting or affecting the validity thereof or any proceeding of the District taken with

respect to the issuance or sale of the Bonds, or the pledge or application of moneys or security provided for the payment of the Bonds, or the authority of Sacramento County or San Joaquin County to levy property taxes to pay principal of and interest on the Bonds when due.

Legal Opinion

The proceedings in connection with the authorization, sale, execution and delivery of the Bonds are subject to the approval as to their legality of Parker & Covert LLP, Bond Counsel. A copy of the legal opinion will be attached to each Bond, and a form of such opinion is attached hereto as “APPENDIX C—FORM OF OPINION OF BOND COUNSEL.”

Bond Counsel’s employment is limited to a review of the legal proceedings required for authorization of the Bonds and to rendering the aforementioned opinion. Bond Counsel has not undertaken any responsibility for the accuracy, completeness, or fairness of this Official Statement, and the opinion of Bond Counsel will not extend to any documents, agreements, representations, offering circulars, official statements or other material of any kind concerning the Bonds that are not referred to in the aforementioned opinion. The fees of Bond Counsel are contingent upon the issuance and delivery of the Bonds.

Limitations on Remedies; Amounts Held in the County Pool

The opinion of Bond Counsel with respect to the enforceability of the rights of the owners of the Bonds is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor’s rights. Bankruptcy proceedings, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

Sacramento County on behalf of the District is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the County Pool, as described under the caption “COUNTY OF SACRAMENTO POOLED INVESTMENT FUND” herein and in “APPENDIX D—COUNTY OF SACRAMENTO ANNUAL INVESTMENT POLICY” attached hereto. In the event the District or Sacramento County were to go into bankruptcy, a federal bankruptcy court might hold that the owners of the Bonds are unsecured creditors with respect to any funds received by the District or Sacramento County prior to the bankruptcy, which may include taxes that have been collected and deposited into the Tax Collection Fund, where such amounts are deposited into the County Pool, and such amounts may not be available for payment of the principal of and interest on the Bonds unless the owners of the Bonds can “trace” those funds. There can be no assurance that the Owners could successfully so “trace” such taxes on deposit in the Tax Collection Fund where such amounts are invested in the County Pool. The Government Code requires Sacramento County and San Joaquin County to annually levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates) for the payment of the principal of and interest on the Bonds.

Tax Matters

The following discussion of federal income tax matters written to support the promotion and marketing of the Bonds was not intended or written to be used, and cannot be used, by a taxpayer for the purpose of avoiding federal tax penalties that may be imposed. Each taxpayer should seek advice based on the taxpayer’s particular circumstances from an independent tax advisor.

In the opinion of Parker & Covert LLP, Sacramento, California, Bond Counsel, based upon the analysis of existing statutes, regulations, ruling and court decisions, and assuming, among other things, the accuracy of certain representations and compliance with certain covenants, the interest on the Bonds is excludable from gross income for federal income tax purposes and is exempt from State of California personal income taxes. Bond Counsel is also of the opinion that 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 when determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. A complete copy of the proposed form of opinion of Bond Counsel is set forth in “APPENDIX C—FORM OF OPINION OF BOND COUNSEL” attached hereto.

The amount, if any, by which the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds) constitutes

“original issue discount,” the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and which is exempt from State personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons, or organizations acting in the capacity of underwriters, placement agents, or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount greater than their principal amount payable on their respective maturity dates (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, a purchaser’s basis in a Premium Bond, and under Treasury Regulations the amount of tax-exempt interest received, will be reduced by the amount of amortizable premium properly allocable to such purchaser. Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable premium in their particular circumstances.

The Internal Revenue Code of 1986, as amended, (the “Code”) imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has covenanted to comply with certain restrictions designed to assure that interest on the Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Bonds being included in federal gross income, possibly from the date of issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after that date of issuance of the Bonds may adversely affect the tax status of interest on the Bonds. Prospective Bondholders are urged to consult their own tax advisors with respect to proposals to restructure the federal income tax.

Certain requirements and procedures contained or referred to in the Resolution, the tax certificate to be entered into on the date of issuance of the Bonds (the “Tax Certificate”), and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Parker & Covert LLP, Sacramento, California.

Although Bond Counsel expects to render an opinion that interest on the Bonds is excludable from gross income for federal income tax purposes and exempt from State personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Beneficial Owner’s federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Beneficial Owner or the Beneficial Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

In addition, no assurance can be given that any future legislation, including amendments to the Code, if enacted into law, or changes in interpretation of the Code, will not cause interest on the Bonds to be subject, directly or indirectly, to federal and/or state income taxation, or otherwise prevent Beneficial Owners of the Bonds from realizing the full current benefit of the tax status of such interest. Prospective purchasers of the Bonds should consult their own tax advisers regarding any pending or proposed federal and/or state tax legislation. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any action of the Internal Revenue Service (“IRS”), including but not limited to regulation, ruling, or selection of the Bonds for audit examination, or the course or result of any IRS examination of the Bonds, or obligations that present similar tax issues, will not affect the market price or liquidity of the Bonds.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditor’s rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

The IRS has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and target audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar bonds).

The complete text of the final opinion that Bond Counsel expects to deliver upon the issuance of the Bonds is set forth in “APPENDIX C—FORM OF OPINION OF BOND COUNSEL” attached hereto.

Bank Qualified Obligations

The District has designated the Bonds as qualified tax-exempt obligations within the meaning of IRS Code of 1986 Section 265(b)(3), as amended.]

Legality for Investment in California

Under provisions of the California Financial Code, the Bonds are legal investments for commercial banks in the State to the extent that the Bonds, in the informed opinion of the investing bank, are prudent for the investment of funds of depositors. Under provisions of the Government Code, the Bonds are eligible security deposits of public moneys in the State.

RATING

S&P Global Ratings (“S&P”) has assigned a municipal bond rating of “___” to the Bonds. Such rating reflects only the views of S&P, and an explanation of the significance of such rating may be obtained from S&P. There is no assurance that any such rating will continue for any given period of time or that any such will not be revised downward or withdrawn entirely by the rating agency if, in the judgment of the rating agency, circumstances so warrant. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market price of the Bonds.

MUNICIPAL ADVISOR

Government Financial Strategies inc. has been employed by the District to perform municipal advisory services in relation to the sale and delivery of the Bonds. Government Financial Strategies inc., in its capacity as Municipal Advisor, has read and participated in drafting this Official Statement. Government Financial Strategies inc. has not, however, independently verified nor confirmed all of the information contained within this Official Statement. Government Financial Strategies inc. will not participate in the underwriting of the Bonds. Fees charged by Government Financial Strategies inc. are not contingent upon the sale of the Bonds.

INDEPENDENT AUDITOR

The financial statements of the District as of and for the year ending June 30, 2016 have been audited by Goodell, Porter, Sanchez & Bright, LLP, Sacramento, California. The audited financial statements of the District as of and for the year ended June 30, 2016, are set forth in “APPENDIX A—THE FINANCIAL STATEMENTS OF THE DISTRICT AS OF AND FOR THE YEAR ENDING JUNE 30, 2016” attached hereto. The District has not requested nor did the District obtain permission from the Auditor to include the audited financial statements as an appendix to this Official Statement. The Auditor has not performed any subsequent events review or other procedures relative to these audited financial statements since the date of its letter. Complete copies of past and current financial statements may be obtained from the District.

UNDERWRITING AND INITIAL OFFERING PRICE

The Bonds were sold to _____ (the “Underwriter”) pursuant to a bond purchase agreement by and between the District and the Underwriter at a price of \$_____, being the principal amount of the Bonds of \$_____, plus a net original issue premium of \$_____, less an underwriting discount of \$_____, at a true interest cost (TIC) to the District of ___ percent.

The Underwriter has certified the initial offering prices or yields stated on the inside cover page hereof. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts), dealer banks, banks acting as agents and others at prices lower than said public offering prices. The reoffering prices may be changed from time to time by the Underwriter.

CONTINUING DISCLOSURE

The District has covenanted for the benefit of the holders and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the District (the “Annual Report”), by not later than nine months after the end of the fiscal year, commencing with the report for the 2016-17 fiscal year (which is due no later than March 31, 2018), and to provide notices of the occurrence of certain enumerated events. The Annual Report and notices of certain enumerated events will be filed by the District with the MSRB through its EMMA system. The specific nature of the information to be contained in the Annual Report or the notices are specified in “APPENDIX B—FORM OF CONTINUING DISCLOSURE CERTIFICATE” attached hereto. These covenants have been made in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5) (the “Rule”).

In the past five years, the District has not complied in all respects with its previous undertakings with regard to said Rule to provide annual reports and notices of significant events. Due to administrative oversight in connection with the continuing disclosure requirements of its outstanding debt, the District did not file the following annual reports in accordance with their requirements in the past five years:

- The annual reports for the 2002 Bonds for fiscal years 2012-13, 2013-14, and 2015-16, due March 31, 2014, March 31, 2015, and March 31, 2017, respectively, were not filed until _____. Notices of the failure to file the annual reports were not posted until _____.
- The annual reports for the 2012 Refunding Bonds and the 2008 JPA Bonds for fiscal year 2012-13 due March 31, 2014 and April 1, 2014, respectively, were initially filed on March 31, 2014 without the District’s fiscal year 2012-13 audit. The audit for fiscal year 2012-13 was filed for the annual reports for the 2012 Refunding Bonds and 2008 JPA Bonds on November 25, 2014. Notices of the failure to file the annual reports were not posted until _____.

The following notice of significant events was posted more than ten business days after its occurrence:

- On March 18, 2014, S&P upgraded the rating of Assured Guranaty Municipal Corp. (“AGM”), insurer of the 2008 JPA Bonds, resulting in an upgrade in the rating of the 2008 JPA Bonds. Notice of the upgrade was not filed until _____.

Procedures have been implemented to prevent such administrative oversight from recurring. As of the date of this Official Statement, the District has made all required filings in the past five years for currently outstanding issues in connection with prior undertakings under the Rule.

ADDITIONAL INFORMATION

Additional information concerning the District, the Bonds or any other matters concerning the sale and delivery of the Bonds may be obtained by contacting Galt Joint Union Elementary School District, 1018 C Street, Suite 210, Galt, California 95632, (209) 744-4545, Attention: Director of Business Services, or by contacting the Municipal Advisor, Government Financial Strategies inc., 1228 N Street, Suite 13, Sacramento, California 95814-5609, telephone (916) 444-5100.

All of the preceding summaries of the Bonds, the Resolution, the Paying Agent Agreement and other documents are made subject to the provisions of such documents respectively, and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the District for further information in connection

therewith. Further, this Official Statement does not constitute a contract with the purchasers of the Bonds, and any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement by the District has been duly authorized by its District Board.

Galt Joint Union Elementary School District

By: _____
Karen Schauer, Ed.D.
Superintendent

APPENDIX A

THE FINANCIAL STATEMENTS OF THE DISTRICT
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

[TO COME]

APPENDIX B

FORM OF CONTINUING DISCLOSURE CERTIFICATE

[TO COME]

APPENDIX C
FORM OF OPINION OF BOND COUNSEL

[TO COME]

APPENDIX D

COUNTY OF SACRAMENTO ANNUAL INVESTMENT POLICY

[TO COME]

APPENDIX E

DTC BOOK-ENTRY ONLY SYSTEM

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The following information concerning The Depository Trust Company, New York, New York (“DTC”) and DTC’s book-entry-only system has been provided by DTC for use in securities disclosure documents. The District takes no responsibility for the accuracy or completeness thereof. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

The following description includes the procedures and record-keeping with respect to beneficial ownership interests in the Bonds payment of principal and interest, other payments with respect to the Bonds to Direct Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in such Bonds, notices to beneficial owners and other related transactions by and between DTC, the Participants, and the Beneficial Owners. However, DTC, the Participants, and the Beneficial Owners should not rely on the following information with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be.

The Depository Trust Company, New York, New York (“DTC”) will act as securities depository for the securities (in this Appendix, the “Bonds”). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bonds are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

1228 N Street, Suite 13
Sacramento, CA 95814
(916) 444-5100



Government

Financial

Strategies

inc.



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: 4/26/17	Agenda Item: 131.847 Board Consideration of Approval of Board Policy (BP) 4354 Health and Welfare Benefits
Presenter: Tom Barentson	Action Item: XX Information Item:
<p>The Galt Board Policy for Health and Welfare Benefits was adopted in 2008 prior to the Affordable Care Act (ACA). A first reading for a policy revision was held on March 22, 2017.</p> <p>Board approval is recommended.</p>	

Galt Joint Union ESD

Board Policy

Health And Welfare Benefits

BP 4354 4154, 4254

Personnel

The Governing Board recognizes that health and welfare benefits are essential to promote employee health and productivity and are an important part of the compensation offered to employees. The district shall provide health and welfare benefits for employees in accordance with state and federal law and subject to negotiated employee agreements.

(cf. 4140/4240/4340 - Bargaining Units)
(cf. 4141/4241 - Collective Bargaining Agreement)
(cf. 4151/4251/4351 - Employee Compensation)
(cf. 4300 - Administrative and Supervisory Personnel)

Employees who are not in bargaining units shall receive health and welfare benefits as specified in Board policy and administrative regulation.

(cf. 4121 - Temporary/Substitute Personnel)

For purposes of granting benefits, a registered domestic partner and his/her child shall have the same rights, protections, and benefits as a spouse and spouse's child. (Family Code 297.5, 300)

The district shall offer full-time employees who work an average of 30 hours or more per week and their dependents up to age 26 years a health insurance plan that includes coverage for essential health benefits, pays at least 60 percent of the medical expenses covered under the terms of the plan, and meets all other requirements of the federal Patient Protection and Affordable Care Act.

With respect to eligibility to participate in the health benefits plan or the level of health benefits provided, the district shall not discriminate in favor of employees who are among the highest paid 25 percent of all district employees. (26 USC 105; 42 USC 300gg-16)

Continuation of Coverage

Retired certificated employees, other employees who would otherwise lose coverage due to a qualifying event specified in law and administrative regulation, and their qualified beneficiaries may continue to participate in the district's group health and welfare benefits in accordance with state and federal law.

Unless otherwise provided for in the applicable collective bargaining agreement, covered employees and their qualified beneficiaries may receive continuation coverage by paying the

premiums, dues, and other charges, including any increases in premiums, dues, and costs incurred by the district in administering the program.

Confidentiality

The Superintendent or designee shall not use or disclose any employee's medical information the district possesses without the employee's authorization obtained in accordance with Civil Code 56.21, except for the purpose of administering and maintaining employee benefit plans and for other purposes specified in law. (Civil Code 56.20)

(cf. 4112.6/4212.6/4312.6 - Personnel Files)

Legal Reference:

EDUCATION CODE

7000-7008 Health and welfare benefits, retired certificated employees

17566 Self-insurance fund

35208 Liability insurance

35214 Liability insurance (self-insurance)

44041-44042 Payroll deductions for collection of premiums

44986 Leave of absence, state disability benefits

45136 Benefits for classified employees

CIVIL CODE

56.10-56.16 Disclosure of information by medical providers

56.20-56.245 Use and disclosure of medical information by employers

FAMILY CODE

297-297.5 Rights, protections and benefits under law; registered domestic partners

300 Definition of marriage

GOVERNMENT CODE

12940 Discrimination in employment

22750-22944 Public Employees' Medical and Hospital Care Act

53200-53210 Group insurance

HEALTH AND SAFETY CODE

1366.20-1366.29 Cal-COBRA program, health insurance

1367.08 Disclosure of fees and commissions paid related to health care service plan

1373 Health services plan, coverage for dependent children who are full-time students

1373.621 Continuation coverage, age 60 or older after five years with district

1374.58 Coverage for registered domestic partners, health service plans and health insurers

INSURANCE CODE

10116.5 Continuation coverage, age 60 or older after five years with district

10128.50-10128.59 Cal-COBRA program, disability insurance

10277-10278 Group and individual health insurance, coverage for dependent children

10604.5 Annual disclosure of fees and commissions paid

12670-12692.5 Conversion coverage

LABOR CODE

2800.2 Notification of conversion and continuation coverage

4856 Health benefits for spouse of peace officer killed in performance of duties

UNEMPLOYMENT INSURANCE CODE

2613 Education program; notice of rights and benefits

UNITED STATES CODE, TITLE 1

7 Definition of marriage, spouse

UNITED STATES CODE, TITLE 26

105 Self-insured medical reimbursement plan; definition of highly compensated individual

4980B COBRA continuation coverage

4980H Penalty for noncompliance with employer-provided health care requirements

5000A Minimum essential coverage

6056 Report of health coverage provided to employees

UNITED STATES CODE, TITLE 29

1161-1168 COBRA continuation coverage

UNITED STATES CODE, TITLE 42

300gg-300gg95 Patient Protection and Affordable Care Act, especially:

300gg-16 Group health plan; nondiscrimination in favor of highly compensated individuals

1395-1395g Medicare benefits

CODE OF FEDERAL REGULATIONS, TITLE 26

54.4980B-1-54.4980B-10 COBRA continuation coverage

54.4980H-1-54.4980H-6 Patient Protection and Affordable Care Act

1.105-11 Self-insured medical reimbursement plan

CODE OF FEDERAL REGULATIONS, TITLE 45

164.500-164.534 Health Insurance Portability and Accountability Act (HIPAA)

Management Resources:

CALIFORNIA SCHOOL BOARDS ASSOCIATION PUBLICATIONS

Health Policy: Implications of Covered California for School Boards, Districts and Personnel, Governance Brief, January 2013

INTERNAL REVENUE SERVICE NOTICES

2011-1 Affordable Care Act Nondiscrimination Provisions Applicable to Insured Group Health Plans

U.S. DEPARTMENT OF TREASURY PUBLICATIONS

Fact Sheet: Final Regulations Implementing Employer Shared Responsibility Under the Affordable Care Act (ACA) for 2015

WEB SITES

CSBA: <http://www.csba.org>

California Employment Development Department: <http://www.edd.ca.gov>

Internal Revenue Service: <http://www.irs.gov>

U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services: <http://www.cms.gov>

U.S. Department of Labor: <http://www.dol.gov>

Regulation GALT JOINT UNION SCHOOL DISTRICT
Approved:



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: 4/26/17	Agenda Item: 131.848 Board Consideration of Approval of Declaration of Need for Fully Qualified Educators for the remainder of 2016-17
Presenter: Claudia Del Toro-Anguiano	Action Item: XX Information Item:
<p>Every five years, the county office audits credential assignments. It has been determined by the recent SCOE Credential Assignment Monitoring (CAM) audit that our district has four single subject and two special education educators needing appropriate certification.</p> <p>This Declaration of Need indicates to the Commission on Teacher Credentialing that the district may request emergency permits for teachers who are in the process of acquiring appropriate certification.</p> <p>We seek approval of the Declaration of Need for the remainder of the 2017-18 school year.</p>	



State of California
 Commission on Teacher Credentialing
 Certification Division
 1900 Capitol Avenue
 Sacramento, CA 95811-4213

Email: credentials@ctc.ca.gov
 Website: www.ctc.ca.gov

DECLARATION OF NEED FOR FULLY QUALIFIED EDUCATORS

Original Declaration of Need for year: 16/17
 Revised Declaration of Need for year: 16/17

FOR SERVICE IN A SCHOOL DISTRICT

Name of District: Galt Joint Union Elementary School District District CDS Code: 67348
 Name of County: Sacramento County CDS Code: 34

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

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

The governing board of the school district specified above adopted a declaration at a regularly scheduled public meeting held on 04/26/17 certifying that there is an insufficient number of certificated persons who meet the district's specified employment criteria for the position(s) listed on the attached form. The attached form was part of the agenda, and the declaration did NOT appear as part of a consent calendar.

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

With my signature below, I verify that the item was acted upon favorably by the board. The declaration shall remain in force until June 30, 2017.

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

<u>Karen Schauer</u>	<u>Superintendent</u>	
<small>Name</small>	<small>Signature</small>	<small>Title</small>
<u>209-745-5415</u>	<u>209-744-4545</u>	
<small>Fax Number</small>	<small>Telephone Number</small>	<small>Date</small>
<u>1018 C Street, Suite 210, Galt, CA 95632</u>		
<small>Mailing Address</small>		
<u>kschauer@galt.k12.ca.us</u>		
<small>EMail Address</small>		

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

Name of County _____ County CDS Code _____
 Name of State Agency _____
 Name of NPS/NPA _____ County of Location _____

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

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

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

Submitted by Superintendent, Director, or Designee:

<i>Name</i>	<i>Signature</i>	<i>Title</i>
<i>Fax Number</i>	<i>Telephone Number</i>	<i>Date</i>
<i>Mailing Address</i>		
<i>EMail Address</i>		

► *This declaration must be on file with the Commission on Teacher Credentialing before any emergency permits will be issued for service with the employing agency*

AREAS OF ANTICIPATED NEED FOR FULLY QUALIFIED EDUCATORS

Based on the previous year's actual needs and projections of enrollment, please indicate the number of emergency permits the employing agency estimates it will need in each of the identified areas during the valid period of this Declaration of Need for Fully Qualified Educators. This declaration shall be valid only for the type(s) and subjects(s) identified below.

This declaration must be revised by the employing agency when the total number of emergency permits applied for exceeds the estimate by ten percent. Board approval is required for a revision.

Type of Emergency Permit	Estimated Number Needed
CLAD/English Learner Authorization (applicant already holds teaching credential)	1 _____
Bilingual Authorization (applicant already holds teaching credential)	_____ _____
List target language(s) for bilingual authorization:	

Resource Specialist	1 _____
Teacher Librarian Services	_____ _____

LIMITED ASSIGNMENT PERMITS

Limited Assignment Permits may only be issued to applicants holding a valid California teaching credential based on a baccalaureate degree and a professional preparation program including student teaching.

Based on the previous year's actual needs and projections of enrollment, please indicate the number of Limited Assignment Permits the employing agency estimates it will need in the following areas:

TYPE OF LIMITED ASSIGNMENT PERMIT	ESTIMATED NUMBER NEEDED
Multiple Subject	0
Single Subject	4
Special Education	2
TOTAL	6

EFFORTS TO RECRUIT CERTIFIED PERSONNEL

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

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

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

EFFORTS TO CERTIFY, ASSIGN, AND DEVELOP FULLY QUALIFIED PERSONNEL

Has your agency established a District Intern program? Yes No

If no, explain. _____

Does your agency participate in a Commission-approved college or university internship program? Yes No

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

If yes, list each college or university with which you participate in an internship program.
 Teachers College of San Joaquin (TCSJ), National University, Sacramento State and St. Mary's College of California

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



Galt Joint Union Elementary School District

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Board Meeting Agenda Item Information

Meeting Date: 4/26/17	Agenda Item: 131.849 Board Consideration of Approval of Resolution #8; Resolution to Assign Teacher to Designated Class in Accordance with Education Code Section 44256(b)
Presenter: Claudia Del Toro-Anguiano	Action Item: XX Information Item:

The purpose of this resolution is to assign a multiple subject teacher, Karen Albert, as the McCaffrey Middle School yearbook teacher. In accordance to Education Code 44256(b), the governing board of a school district by resolution may authorize the holder of a multiple subject teaching credential to teach any subject in departmentalized classes to a given group of students below grade 9, provided that the teacher has completed at least 12 semester units of coursework at an accredited institution in the subject to be taught. Authorization shall be with the teacher's consent. Karen Albert has completed 12 units of English Language Arts and Has given consent to ask the board for approval of assignment to teach yearbook.

Galt Joint Union Elementary School District
Resolution Regarding Assignment of Teacher to Designated Class
in Accordance with Education Code 44256(b)

Resolution # 8

Whereas, the governing Board of the Galt Joint Union Elementary School District, in order to comply with the requirements of Education Code Section 44256(b), requires a teacher for the following class for which no other certificated teacher is available, and

Whereas, the District has a teacher with the required units in the subject area and this teacher is well qualified and able

Therefore, be it resolved that the District hereby assigns the following teacher to the designated class in accordance with section 44256(b) of the Education Code for the remainder of the 2016-17 school year.

Karen Albert: Yearbook Class

Adopted by the Board of Education of the Galt Joint Union Elementary School District at a Regular meeting of the Board of Education on April 26, 2017.

Vote:

Ayes:

Noes:

Absent:

Abstain:

Board President

Date



Galt Joint Union Elementary School District

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Board Meeting Agenda Item Information

Meeting Date: 4/26/17	Agenda Item: 131.850 Board Consideration of Approval of English Language Arts/English Language Development Materials Adoption: <ul style="list-style-type: none"> ▪ Grades TK-6: Benchmark Advance/Adelante ▪ Grades 7-8: Amplify Education
Presenter: Claudia Del Toro-Anguiano	Action Item: XX Information Item:
<p>A team of 33 Tk-8 teacher leaders and coaches took on the task of piloting two ELA/ELD programs with the goal of making a collective recommendation to the board. Our K-5 teachers looked at Wonders (McGraw-Hill Publisher) and Benchmark Advance (Benchmark Education Company Publisher), while our middle school teachers examined first StudySync (McGraw-Hill Publisher) and then Amplify (Amplify Education). Sixth grade teachers reviewed StudySync and Benchmark Advance.</p> <p>The team was tasked with teaching a series of lessons from each publisher, analyzing the auxiliary materials, collecting evidence, submitting feedback and collaborating after each piloting period to collectively evaluate the materials. Each publisher's instructional materials were looked at through the lens of specific criteria that supports the California ELA/ELD Framework and our district's initiatives. The criteria fell into specific categories which included, but are not limited to:</p> <ul style="list-style-type: none"> • Alignment of the CA ELA/ELD Standards • Instructional Supports • Assessments • Instructional Design • Integrated and Designated ELD <p>Teacher leaders enthusiastically participated in both release days and after-school meetings for training, collaboration and evaluation of materials. The first piloting session focused on training teachers to use the Wonders program in grades TK-5 and StudySync in grades 6-8. During the second piloting session, teacher leaders were trained during the day and piloted Benchmark in grades TK-6 and Amplify in grades 7-8. Meetings to debrief the quality of the programs took place after school. An individual "vote" was obtained from teacher leaders and these were the results:</p> <ul style="list-style-type: none"> • Wonders: 9 votes • Benchmark: 17 votes • StudySync: 0 votes • Amplify: 4 votes <p>A collective recommendation of Benchmark Advance/Adelante was made for use with TK-6 and Amplify Education for use with 7-8 learners.</p> <p>The process was incredibly positive and productive; a reflection of the dedication of our teachers.</p>	



Galt Joint Union Elementary School District

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Board Meeting Agenda Item Information

<p>Meeting Date: 4/26/17</p>	<p>Agenda Item: 131.851 Board Consideration of Approval of Agreement Between GJUESD and California School Employees Association and its Galt Elementary Chapter #362 Regarding Bright Future Learning Center Technicians and the Early Childhood Education Home Visitor Positions</p>
<p>Presenter: Donna Mayo-Whitlock</p>	<p>Action Item: XX Information Item:</p>

Board approval is recommended to reconfigure the work year for the full-time Bright Future Learning Center Technicians and Early Childhood Education Home Visitor.

This work year change supports sustaining the learner services, given the final year of Race To The Top funding. The current twelve month positions would be reduced to eleven month positions.

With board approval, this Memorandum of Understanding (MOU) is effective pending May 2017 CSEA ratification.



Galt Joint Union Elementary School District

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Board Meeting Agenda Item Information

<p>Meeting Date: 4/26/17</p>	<p>Agenda Item: 131.851 Board Consideration of Approval of Agreement Between GJUESD and California School Employees Association and its Galt Elementary Chapter #362 Regarding Bright Future Learning Center Technicians and the Early Childhood Education Home Visitor Positions</p>
<p>Presenter: Donna Mayo-Whitlock</p>	<p>Action Item: XX Information Item:</p>

Board approval is recommended to reconfigure the work year for the full-time Bright Future Learning Center Technicians and Early Childhood Education Home Visitor.

This work year change supports sustaining the learner services, given the final year of Race To The Top funding. The current twelve month positions would be reduced to eleven month positions.

With board approval, this Memorandum of Understanding (MOU) is effective pending May 2017 CSEA ratification.

Galt Joint Union Elementary School District (District) and
California School Employees Association and
its Galt Elementary Chapter #362 (CSEA)


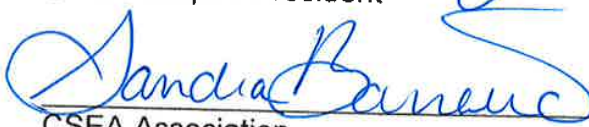

April 20, 2017

The District and CSEA agree to reconfigure the work year for the full-time Bright Future Learning Center Technicians and the Early Childhood Education Home Visitor positions. The BFLC Technicians' and Home Visitor's reconfiguration of work year is set out below:

Current 12 month position: 247 days (8 hours work day)
Proposed 11 month position: 195 days (8 hours work day)

These changes allow the positions that were initially created with Race To The Top funds to be sustained and to continue to provide important services to students and families.

Signed and Dated:

 CSEA Chapter President	<u>4/20/17</u> Date
 CSEA Association	<u>4/20/17</u> Date
 District Representative	<u>4/20/17</u> Date