

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

Regular Board Meeting
Wednesday, November 28, 2018
6:15 p.m. Closed Session
7:00 p.m. Open Session

Galt Joint Union Elementary School District
1018 C Street, Suite 210, Galt, CA 95632

AGENDA

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

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

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

A. 6:15 p.m. – Closed Session: District Office Conference Room

B. Announce Items to be Discussed in Closed Session, Adjourn to Closed Session

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

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. REPORTS

LCAP GOAL 1

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

LCAP GOAL 2

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

1. CA Dashboard Self-Reflection Tools and Determination

LCAP GOAL 3

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

LCAP GOAL 4

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

1. School Boundaries
2. Transportation Program Evaluation
3. Measure K Facilities Improvements Update

Other Reports

1. School Choice (Intra-district transfers)

F. Routine Matters/New Business

171.949 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: October 24, 2018 Regular Board Meeting

c. Payment of Warrants:

Vendor Warrant Numbers: 19431616-19431685, 19433208-19433271, 19434794-19434841, 19436322-19436391

Certificated/Classified Payrolls Dated: 10/31/18 and 11/09/18

d. Personnel

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

e. Donations

171.950 Consent Calendar (Continued) – Items Removed for Later Consideration CC
Items
Removed

171.951 Board Consideration to Establish December 12, 2018 at 7:00 p.m. at Galt Joint Union Elementary School District Office as the Annual Organizational Meeting and Regular Monthly Meeting per Education Code §35143 MOTION

171.952 Board Consideration of Nominations for CSBA (California School Boards Association) Delegate Assembly, Subregion 6-B MOTION

171.953 Board Consideration of Approval of Resolution #7 Accepting Final Completion of Contract for the River Oaks Elementary School Pump

Replacement Project; Wagner Mechanical Inc.

171.954 Board Consideration Of Approval Of Resolution 8: 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 First Supplemental 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

171.955 Board Consideration of Approval of Galt Elementary Faculty Association and GJUESD Agreement Regarding Preschool Language MOTION

G. Pending Agenda Items

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

H. Public Comments for topics not on the agenda

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

I. Adjournment

The next regular meeting of the GJUESD Board of Education: Tentative: December 12, 2018

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



Board Meeting Agenda Item Information

Meeting Date: 11/28/18	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, Lois Yount, Donna Mayo-Whitlock,
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Board Meeting Agenda Item Information

Meeting Date: November 28, 2018	Agenda Item: Reports
Presenter: Karen Schauer	Action Item: Information Item: XX

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1. CA Dashboard Self-Reflection Tools and Determination

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Other Reports

1. School Choice (Intra-district transfers)



LCAP GOAL 2

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

1. CA Dashboard Self-Reflection Tools and Determination

Presenter: Claudia Del-Toro Anguiano, Curriculum Director

The California School Dashboard is an online tool that shows how Local Educational Agencies (LEAs) and schools are performing on the state and local indicators included in California's school accountability system. The Dashboard focuses on the use of multiple measures and places the focus on equity for all students.

For Local Indicators

Using locally collected data, districts will measure and report their progress through the Dashboard on:

- Basic Services (teacher assignments, materials, facilities)- **Priority #1**
- Implementation of State Academic Standards- **Priority #2**
- Parent Engagement- **Priority #3**
- School Climate- **Priority #6**
- Broad Course of Study- **Priority #7- New**

(Priority #4 and #5 are State priorities)

Performance Standards

The State Board of Education approved standards that require districts to:

- Annually measure its progress
- Report the results to the local governing board
- Upload and publicly report the results through the Dashboard

Performance Levels

There are three performance levels for the local indicators:

- Met
- Not Met
- Not Met for Two or More Years

Using Narrative Box or Reflection Tool to Summarize Progress

Local Indicators for the Galt Joint Union Elementary School District

Results based on narrative and/or reflection tool:

1. Basic Services = MET
2. Implementation of State Academic Standards = MET
3. Parent Engagement = MET
4. School Climate = MET
5. Broad Course of Study = MET

**California Dashboard
November 2018**

For Local Control Funding Formula (LCFF) priorities where data is not collected at the state level, LEAs need to measure and report on their progress through the Dashboard based on locally collected data. Local Indicators reflect the emphasis on “local control”, measure priorities that are oriented more as an implementation measurement rather than summative outcome, and are important for the local community to understand the holistic picture of a LEAs progress.

Local Indicators	State Indicators
<ul style="list-style-type: none"> · Based on districts’ locally collected data such as parent engagement and the implementation of state academic standards · Performance determined by LEAs based on state-created standards and self rating (narrative or reflective tool) · November board meeting 	<ul style="list-style-type: none"> · Based on data that is collected consistently across the state such as state testing and attendance · Performance determined by state based on five-by-five placement charts (determines the color) · December board meeting

GJUESD Local Indicators

Priority #1: Appropriately Assigned Teachers, Access to Curriculum-Aligned Instructional Materials, and Safe, Clean and Functional School Facilities = MET

Priority #2: Implementation of State Academic Standards = MET

Priority #3: Parent Engagement = MET

Priority # 6: School Climate = MET

Priority # 7: Broad Course of Study (new) = MET

Priority #1: Appropriately Assigned Teachers, Access to Curriculum-Aligned Instructional Materials, and Safe, Clean and Functional School Facilities

Rating: MET

Narrative

Field 1- GJUESD maintains zero (0) misassignments of teachers of English Learners. And zero (0) total teacher mis-assignments. There are no teacher vacancies in the district. This information is also included in each school’s School Accountability Report Card (SARC) within the “Conditions of Learning” section and approved by the District’s Board of Education annually in January.

Field 2- Zero (0) students TK-8 do not have access to their own copies of standards-aligned instructional materials for use at school and home (pursuant to Education Code 60119) as reported in each site’s Board-approved School Accountability Report Card (SARC) annually in January and annually during Public Hearing during the District’s Board of Education meeting in September.

Field 3- There are zero (0) identified instances where facilities do NOT meet the “good repair” Standard. Site FIT reports are included in each school’s School Accountability Report Card (SARC) and approved by the District’s Board of Education annually in January.

Additional narrative:

Local and State Dashboard results are reviewed in a variety of stakeholder feedback sessions. GJUESD’s four LCAP Goals directly address the District’s commitment to appropriately assigning teachers, assuring student access to curriculum aligned instructional materials and safe clean functional facilities:

Goal 1: Develop and implement a personalized learning and strengths-based growth plan for every learner that articulates and transitions to high school learning pathways while closing the achievement gap. Goal 2: Implement California State Standards in classrooms and other learning spaces through a variety of blended learning environments while closing the achievement gap. Goal 3: Processes and measures for continuous improvement and accountability are applied throughout the district, including personalized evaluation processes for educators. Goal 4: School facilities are safe, healthy, hazard free, clean and equipped for 21st century learning

Priority #2: Implementation of State Academic Standards

Rating: MET

Reflection Tool

1. Rate the local educational agency's progress in providing professional learning for teaching to the recently adopted academic standards and/or curriculum frameworks identified below.

Rating Scale (lowest to highest): 1 – Exploration and Research Phase; 2 – Beginning Development; 3 – Initial Implementation; 4 – Full Implementation; 5 – Full Implementation and Sustainability

Content area	1	2	3	4	5
English Language Arts – Common Core State Standards for English Language Arts					
English Language Development (Aligned to English Language Arts Standards)					
Mathematics – Common Core State Standards for Mathematics					
Next Generation Science Standards					
History-Social Science					

2. Rate the local educational agency's progress in making instructional materials that are aligned to the recently adopted academic standards and/or curriculum frameworks identified below available in all classrooms where the subject is taught.

Content area	1	2	3	4	5
English Language Arts – Common Core State Standards for English Language Arts					
English Language Development (Aligned to English Language Arts Standards)					
Mathematics – Common Core State Standards for Mathematics					
Next Generation Science Standards					
History-Social Science					

3. Rate the local educational agency's progress in implementing policies or programs to support staff in identifying areas where they can improve in delivering instruction aligned to the recently adopted academic standards and/or curriculum frameworks identified below (e.g., collaborative time, classroom walkthroughs, teacher pairing)

Content area	1	2	3	4	5
English Language Arts – Common Core State Standards for English Language Arts					
English Language Development (Aligned to English Language Arts Standards)					
Mathematics – Common Core State Standards for Mathematics					
Next Generation Science Standards					
History-Social Science					

Other Adopted Academic Standards

4. Rate the local educational agency's progress implementing each of the following academic standards adopted by the State Board of Education for all students.

Content area	1	2	3	4	5
Career Technical Education					
Health Education Content Standards					

Physical Education Model Content Standards					
Visual and Performing Arts					
World Language					

Support for Teachers and Administrators

5. During the 2015-16 school year (including summer 2015), rate the local educational agency's success at engaging in the following activities with teachers and school administrators?

Activity	1	2	3	4	5
Identifying the professional learning needs of groups of teachers or staff as a whole					
Identifying the professional learning needs of individual teachers					
Providing support for teachers on the standards they have not yet mastered					

Priority #3: Parent Engagement

Rating: MET

Narrative

Seeking input in School/District Decision Making:

The Galt Joint Union Elementary School District (GJUESD) is committed to ensuring that parents/guardians participate in stakeholder feedback meetings and advisory committees at the district and site levels.

- Numerous Stakeholder Feedback sessions (DAC, DELAC, Listening Circles, GEFA, CESEA, site SSCs & ELACs, etc.) provided direction for the district. Themes emerged from their feedback that was incorporated into the revised 2018-19 LCAP.
- A District-wide Parent Survey was developed through the DAC and DELAC committees. Results indicated that 89.4% of parents indicated they felt respected at school- 76.2% indicated culture was respected and 85.7% indicated their child’s school provided high quality instruction.
- LCAP progress updates and the examination of state and local data were included in quarterly District Advisory Committee (DAC) and District English Learner Advisory Committee (DELAC) meetings. Monthly Board meetings included reports specific to the 4 LCAP goal implementation areas.

Promoting Participation in Programs:

1. In order for GJUESD parents/guardians participate fully in educational programs at the site and district levels, the following consistencies have been created:
 - All district and school communications go home in both English and Spanish

- Spanish Interpretation is provided at all site and districts meetings/trainings/functions
 - Bilingual office staff at school/district level are available to support families
2. At both the site and district level, parents/guardians have access to workshops and trainings that are linked to student learning, social-emotional development and growth:
- Direct services to families with children ages 0-5 include Home Visitation, Raising A Reader, Parent & Child Playgroups, Family Literacy workshops, and Developmental Screenings
 - All schools continue to provide learning and engagement opportunities for parents during Back to School Night, parent trainings or committee meetings, Bright Future Center opportunities and Open House
 - The district supports the funding of a full time School Resource Officer dedicated to its schools. The resource officer promotes safe positive safe school environment by holding meetings with parents and students
 - The district's mental health team coordinates a series of mental health workshops (Anxiety and Self-Regulation, Children and Depression, Suicide Prevention and Trauma Informed) that are presented in English and Spanish. Also, Spanish speaking parents have access to bilingual counseling and social worker staff

Priority # 6: School Climate

Rating: MET

Narrative

Galt Joint Union Elementary School District administered the annual Gallup Student Poll (GSP) which measured the engagement, hope, entrepreneurial aspirations and career/financial literacy in grades 5 through 8 in the 2017-18 school year. Results are used to measure the district's progress on state Priority Six, School Climate.

GSP Results:

- 92% of students agree/strongly believe they will graduate from high school
- 90 % agree/strongly believe they have a great future ahead of them
- 91% agree/ strongly believe they will find a good job in the future.

The California Healthy Kids Survey (CHKS) was also administered. CHKS Results:

5th Grade

- 61% reported having high expectations in school
- 57% reported having high connectedness to school
- 84% reported having caring relationships with teachers and other adults at school
- 58% reported having opportunities to help decide school activities or rules

7th Grade

- 86% reported having high expectations in school
- 67% reported feeling safe at school
- 83% reported having a positive attitude about schoolwork
- 25% reported having opportunities to help decide school activities and rules

GJUESD intends to engage middle school students regarding their safety at school. For the 2018-19 school year, various student meetings will be held throughout the year to gain insights into what makes students feel safer at school and to provide students with opportunities to help decide school activities and school rules. A monthly student advisory committee, representing all student groups, will serve to guide school policy.

Priority # 7: Broad Course of Study (new)

Rating: MET

Narrative

Galt Joint Union Elementary School District (GJUESD) tracks progress in meeting Priority 7 standards by undertaking a review of course offerings, class schedules, and after school schedules to assess the extent to which all students have access to and are enrolled in a broad course of studies. Additionally, enrollment and participation reports identify access based upon grade spans, unduplicated student groups, and students with exceptional needs. Reports can then demonstrate access and participation in a broad course of studies for each of our schools.

For the 2017-2018 year, 100% of GJUESD students had full access to a broad course of studies as defined by California Education Code 51210 and 51220(a)-(i). All GJUESD students in grades TK – 6 were enrolled in a broad course of studies. All elementary schools offered access in the areas identified as a broad course of studies for grades 1-6. Elementary students had access to some courses, such as visual and performing arts, both within and outside of the regular school day. In addition, GJUESD after school programs offered a variety of options for participation in the visual and performing arts, health and physical education. All GJUESD secondary students had access to a broad course of studies within their school offerings.

Over time, GJUESD has increased the number of options students have in selecting specific courses that meet the broad course of studies parameters. For example, one elementary site offered a dance class as part of an exploratory wheel along with an introductory Spanish. Another elementary site offered an introduction to Portuguese. GJUESD music program extended after the regular school day to ensure access to our band program for students who wished to play an instrument. Secondary students had after school access to visual and performing arts in the form of a play and had the opportunity to perform for our community. Programs such as this also allowed students, who are English learners, to access visual and performing arts after school if their regular school day schedule did not have space for such an exploratory or if their exploratory time was assigned to be English Language Development class. Funding for the opportunities come from the LCAP.

Barriers preventing GJUESD from maximizing broad course of study offerings to all students include a lack of time during the regular school day and, for the some secondary students, lack of transportation home. Due to GJUESD limited credential staffing at the secondary level, world languages and applied arts are still in the exploration stage. While a career and technical education course for 8th grade is now at the planning stage, students will have access to an introductory career technical education course next year. As GJUESD continues to assess

access a broad course of study for all students, additional collaboration is planned with the Galt Joint Union High School District to address common interests and needs to identify mutual resources available to both districts. Regular analysis of enrollment and participation data helps to inform the district as it makes decisions on offerings and using LCAP Supplemental and Concentration funds to support Priority 7.

***Reports on local indicators indicate a rating of Met as illustrated on the California Dashboard.**



LCAP GOAL 4

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

1. School Boundaries

Presenter: Karen Schauer, Ed.d., Superintendent

In order to better support neighborhood elementary schools while creating additional space for future east side growth: boundaries have been modified for board review in the following ways:

- 1) Westside students assigned to east side schools (Lake Canyon, River Oaks, Marengo Ranch) would be eliminated with “grandfathering” for current students.
- 2) Examining Valley Oaks and Greer Elementary boundaries to consider more balanced enrollment demographics.

The report will include boundary options and school enrollment and capacity information. Ken Reynolds, Schoolworks Consultant, will be at the meeting.

2. Transportation Program Evaluation

Presenter: Kevin Sellstrom, Maintenance and Transportation Supervisor

The program evaluation will include current costs, analysis of program issues and recommendations for strengthening of the program.

3. Measure K Facilities Improvements Update

Presenter: Lois Yount, Director of Business Services

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Ph: (209) 744-4545

*Dr. Karen Schauer,
Superintendent*

GALT JOINT UNION ELEMENTARY
SCHOOL DISTRICT
DEMOGRAPHIC STUDY 2018/19

DRAFT—November 2018



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Introduction

This Demographic Study provides a comprehensive enrollment analysis for the Galt Joint Union Elementary School District. The district-wide and school-specific enrollment projections are meant to serve as a planning tool to help with both long- and short-term planning. Demographic Studies examine the factors that influence school enrollments, namely trends in demographics, birth rates, and housing development. They are also used as a tool to identify certain facility planning requirements such as capacity, utilization of existing facilities, planning for modernization or new construction, and attendance boundary redistricting. This Study provides information based on the 2018/19 District enrollments and programs, local planning policies and residential development. As these factors change and timelines are adjusted, the Demographic Study should be revised to reflect the most current information.

Executive Summary

Galt Joint Union Elementary School District consists of one (1) Pre-K School, five (5) elementary schools, and one (1) middle school. Galt Joint Union Elementary School District has experienced declining enrollment over the past 10 years from an enrollment of 4,119 students during the 2009/10 school year to a current enrollment of 3,595 students.

Galt Joint Union Elementary School District is projected to decline in enrollment by 0.92% (or 33 students) for the 2019/20 school year. The District is projected to grow slightly over the next six (6) years, with a projected enrollment of 3,739 students in the 2024/25 school year. This is a total growth of 144 students, which is an increase of 4.01%.

Future impacts from new housing development is predicated upon information provided by local municipalities on the development of 698 housing units over the next six (6) years. If the building rates increase or decrease, then the timeline shown in this Study will need to be modified accordingly. These projected new developments in the District's boundary are expected to generate 22 students next year, or a total of 311 students in the next six (6) years.

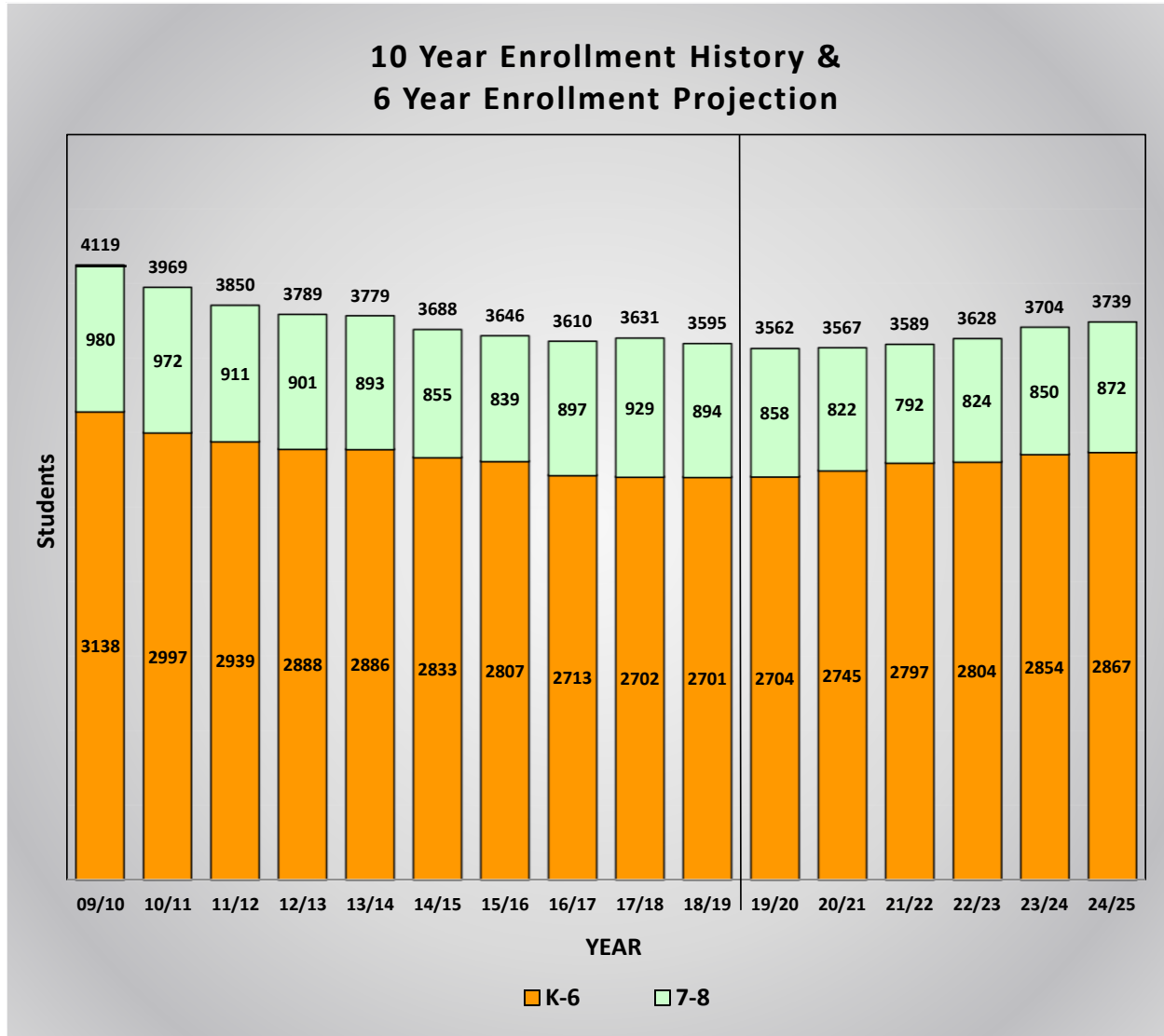
Based on current District loading standards and classroom space, the District has a net classroom capacity of 4,980 students, and a current enrollment of 3,595. This gives the District a current utilization factor of 72.2%. The projected utilization factor in six (6) years will be 75.1%. This assumes loading standards remain constant and no additional facilities are built or removed.

Methodology

The enrollment projections for each school are generated using a State standard weighted cohort trend analysis. The basic projections are created by studying the individual geographic areas. Once the trends are analyzed for each area, the base projections are modified using the following procedures:

- a) Birth rates are used to project future kindergarten enrollment. It is assumed if the births indicate there was an increase of 4% one year, then there will be a corresponding 4% increase in the kindergarten class five (5) years later.
- b) New Housing Development rates and yield factors are compared to the historical impact of development, and if the future projections exceed the historical values, the projections are augmented accordingly.
- c) Inter-District student counts are not included in the base geographic trend analysis since these students reside outside of the District. Therefore, the current number of students-per-school and students-per-grade are added to the base projections.
- d) Intra-District students are those who transfer from one school to another. The number of students transferring into and out of each school are calculated and used to determine the difference between the projections for students living in each attendance area versus those that are projected to attend the school.
- e) The projections for special education students and alternative programs are created by assuming those programs typically serve a percentage of the total District population. Therefore, as the District grows or declines, the enrollment in those programs would increase or decrease accordingly.
- f) The number of students living in the boundary are used to generate the cohort factors. The weighted average of the three (3) years was determined with the current year weighted 50%, the prior year 33.3% and the last year 16.7%. This gives the current trends more value in determining the projections. Those cohorts are then used to determine the students who will be residing in each attendance area for the following years.

10 Year Enrollment History and 6 Year Enrollment Projections



The Galt Joint Union Elementary School District has declined over the past ten (10) years from an enrollment of 4,119 in 2009/10 to the current enrollment of 3,595. This chart provides a summary of the last ten (10) years of historic enrollment and projected enrollment for the next six (6) years. The color orange represents the historic and projected enrollment for the elementary school grades K-6. The color green represents the historic and projected enrollment for the middle school grades 7-8. The entire District enrollment is shown at the top of each bar.

Galt Joint Union Elementary School District
Demographic Study
2018/19

2019/2020 1 Year Enrollment Projection by School

Galt Joint Union Elementary School District											
Enrollment Projections											
YEAR 19/20, 1 Year Proj.											
School	<u>T</u>	<u>K</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>TOTAL</u>
Lake Canyon Elem	19	63	55	89	75	87	70	77	0	0	535
Marengo Ranch Elem	8	80	85	70	72	86	62	78	0	0	541
River Oaks Elem	21	61	86	82	79	84	79	66	0	0	558
Valley Oaks Elem	11	75	100	84	68	86	81	91	0	0	596
Greer Elem	12	83	52	70	70	51	67	69	0	0	474
McCaffrey Middle	0	0	0	0	0	0	0	0	410	448	858
Totals	71	362	378	395	364	394	359	381	410	448	3,562
Current CBEDS	72	366	387	357	392	351	370	406	423	471	3,595
Net Change	-1	-4	-9	38	-28	43	-11	-25	-13	-23	-33
Cohort Change			12	8	7	2	8	11	4	25	

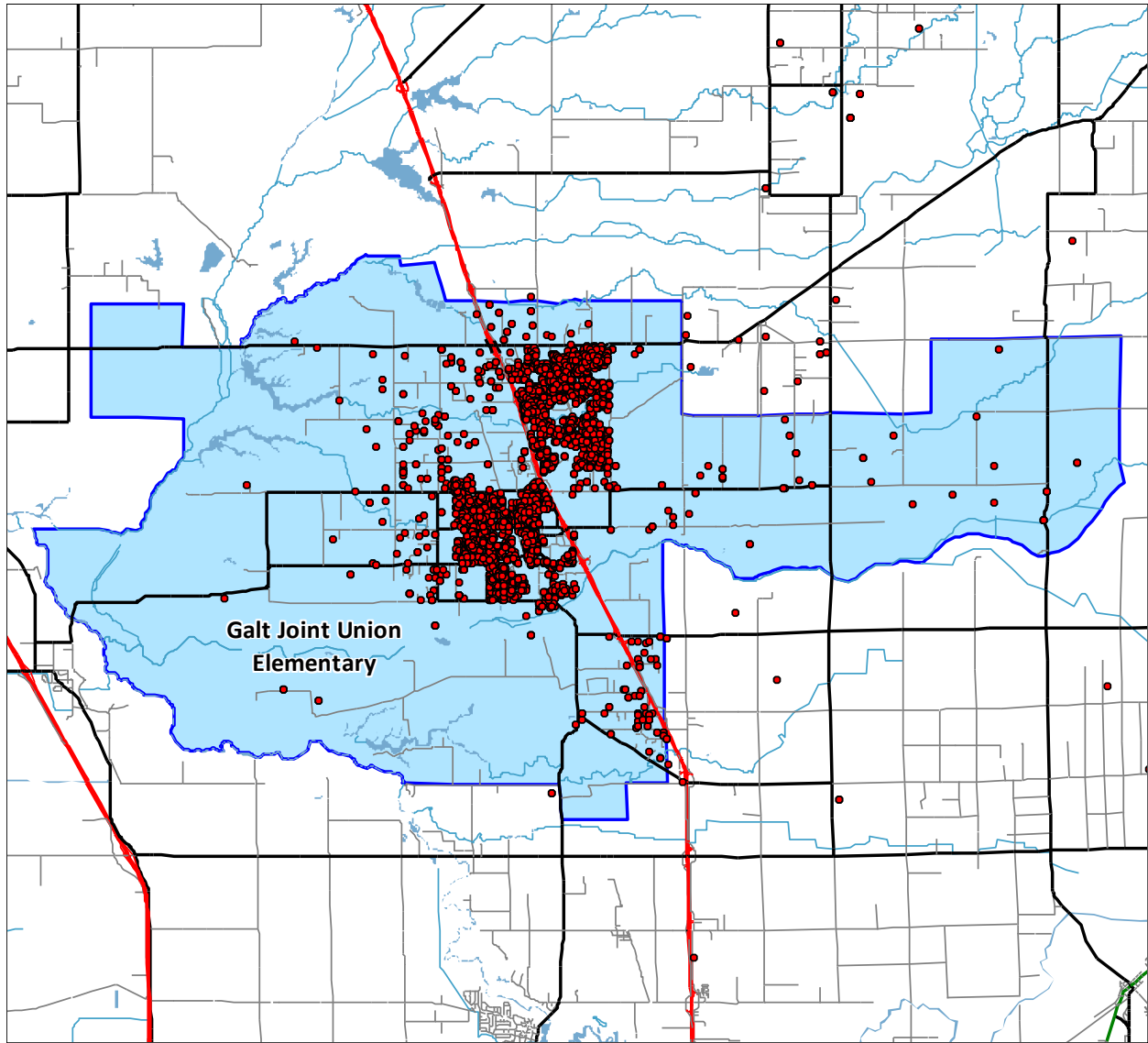
Galt Joint Union Elementary School District has a current enrollment of 3,595 students. The projected enrollment for next year shows a decrease of 33 students. This one (1) year summary analyzes the net change between the current District enrollment by school and by grade, and the projected enrollment for 2019/20.

The cohort change factor indicates the change in the number of students for each grade compared to the number of students in the prior grade the previous year.

These projections assume the transfers between schools remain consistent. If changes in facilities, schedules, programs or policies are made, then the patterns may be impacted.

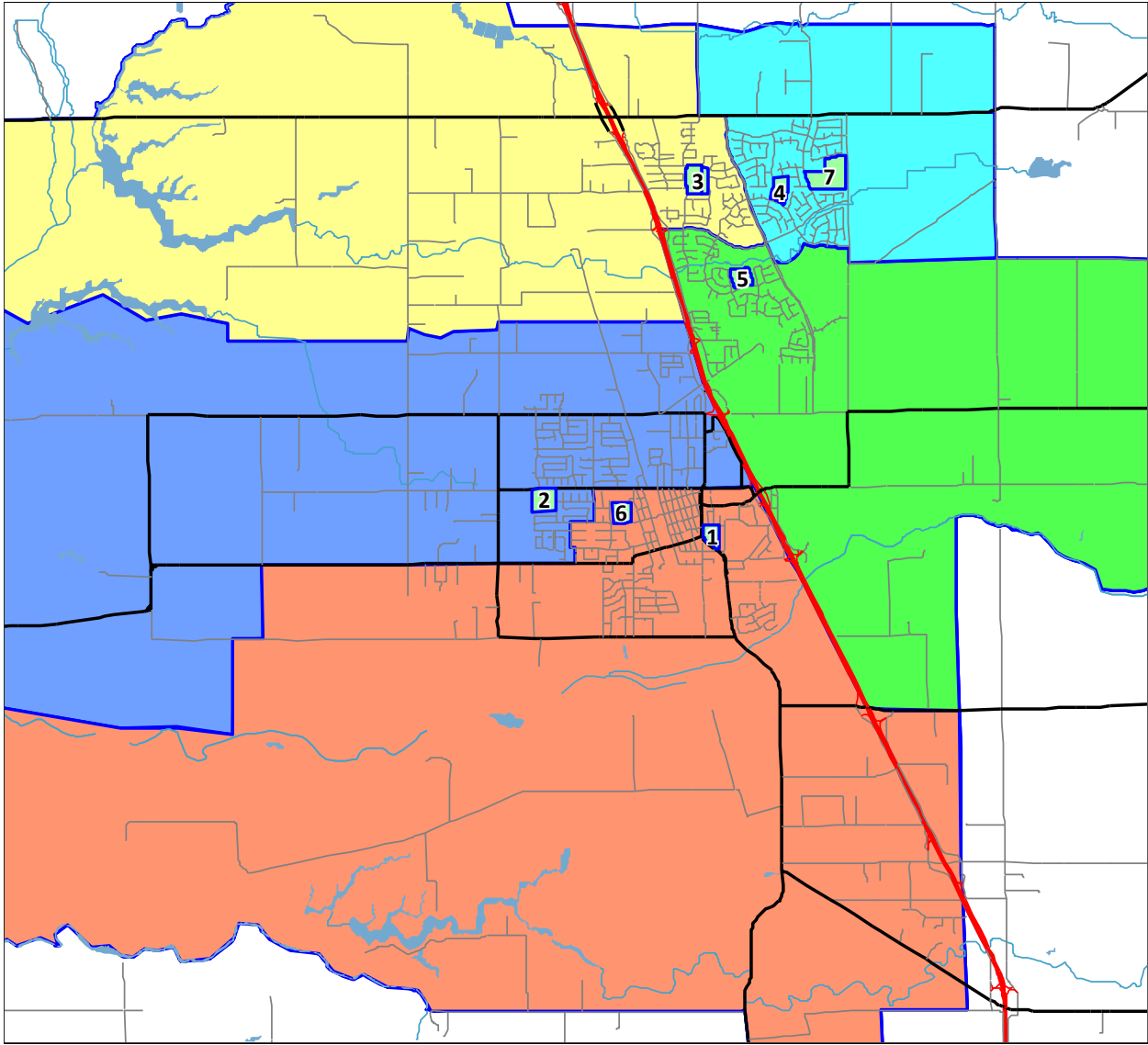
The students living in the boundary generate the cohort factors which are calculated for the past three (3) years and the weighted average is determined. Those cohorts are then used to determine the students who will be residing in each attendance area for the following years. Next the attendance factor is used to determine the net enrollment for each grade. The attendance factor is determined by analyzing the current year of students to see how many Inter- and Intra-district transfers there are.

District Map with Student Residential Locations



This map shows the District boundary along with the location of each student based on their residential address. This geographic data is the foundation for our demographic analysis. Any red dots outside the District boundary will represent students attending one of the District schools or programs but have a residence outside the District. This map also identifies different areas of student population density.

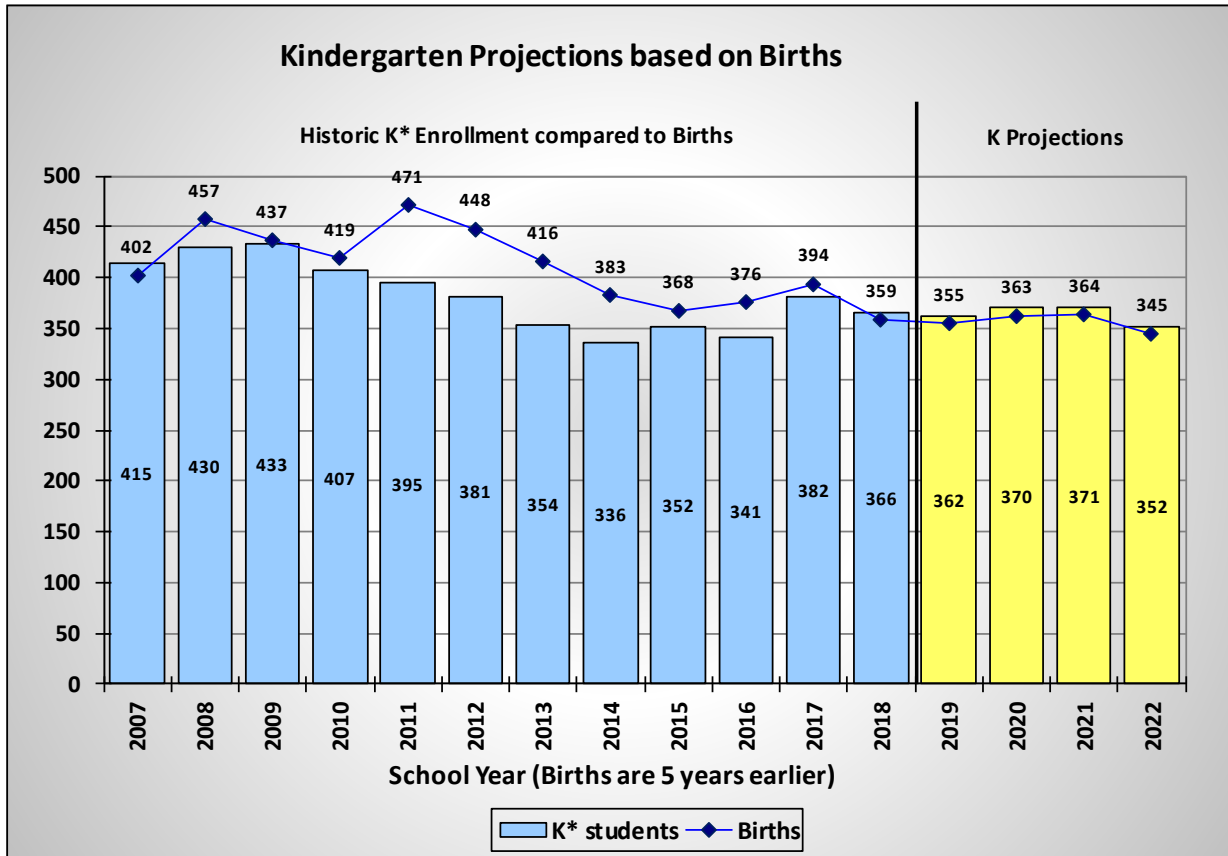
Elementary Boundaries and School Locations



<u>Id</u>	<u>School</u>	<u>Grades</u>	<u>Id</u>	<u>School</u>	<u>Grades</u>
1	Fairsite School	Pre-K	5	River Oaks Elementary	TK-6
2	Greer Elementary	TK-6	6	Valley Oaks Elementary	TK-6
3	Lake Canyon Elementary	TK-6	7	McCaffrey Middle	7-8
4	Marengo Ranch Elementary	TK-6			

Historic Birth Rates

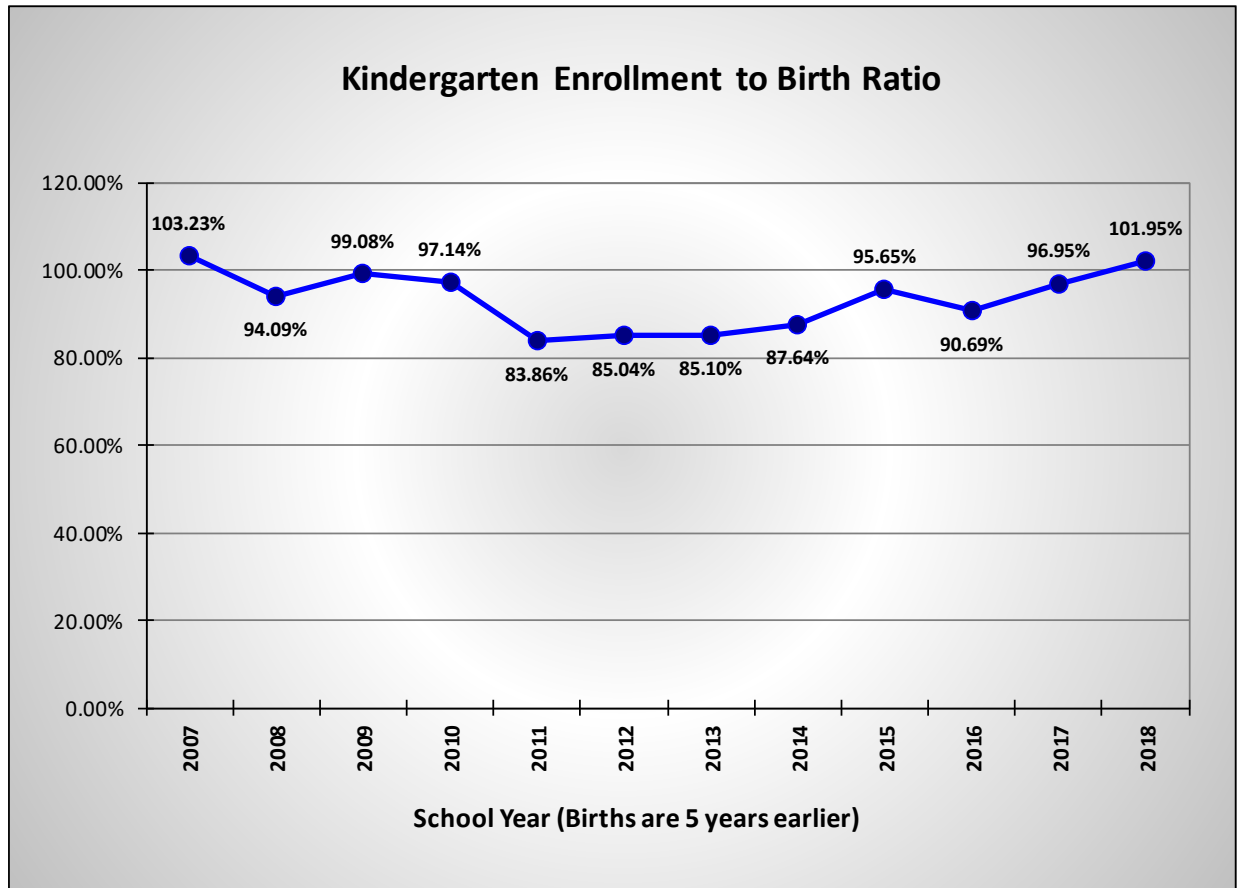
The following section is an analysis of the number of births in the Galt Joint Union Elementary School District. The number of births are compiled by zip code regions and provided by the Department of Health. The zip code areas do not exactly match the District boundaries and therefore the zip code 95632, which is in the District, was used for this analysis.



*Kindergarten Totals may include some Transitional Kindergarten students for some of the past years to more accurately correlate a 12-month period of births to a 12-month period of enrollment.

The above figure illustrates the correlation between births in the District area and the number of kindergarten students attending Galt Joint Union Elementary schools five (5) years later. The number of births between 2002 and 2013 has averaged about 411 per year. The recent birth rates over the past four (4) years (2014 to 2017), which will generate the kindergarten classes for the next four (4) years (2019 to 2022), have been between 345 and 364. We have assumed that the current kindergarten capture rate of 101.95% will be maintained in the future. The kindergarten projections shown here do not account for the impact of any additional housing units.

Historic Kindergarten Capture Rates

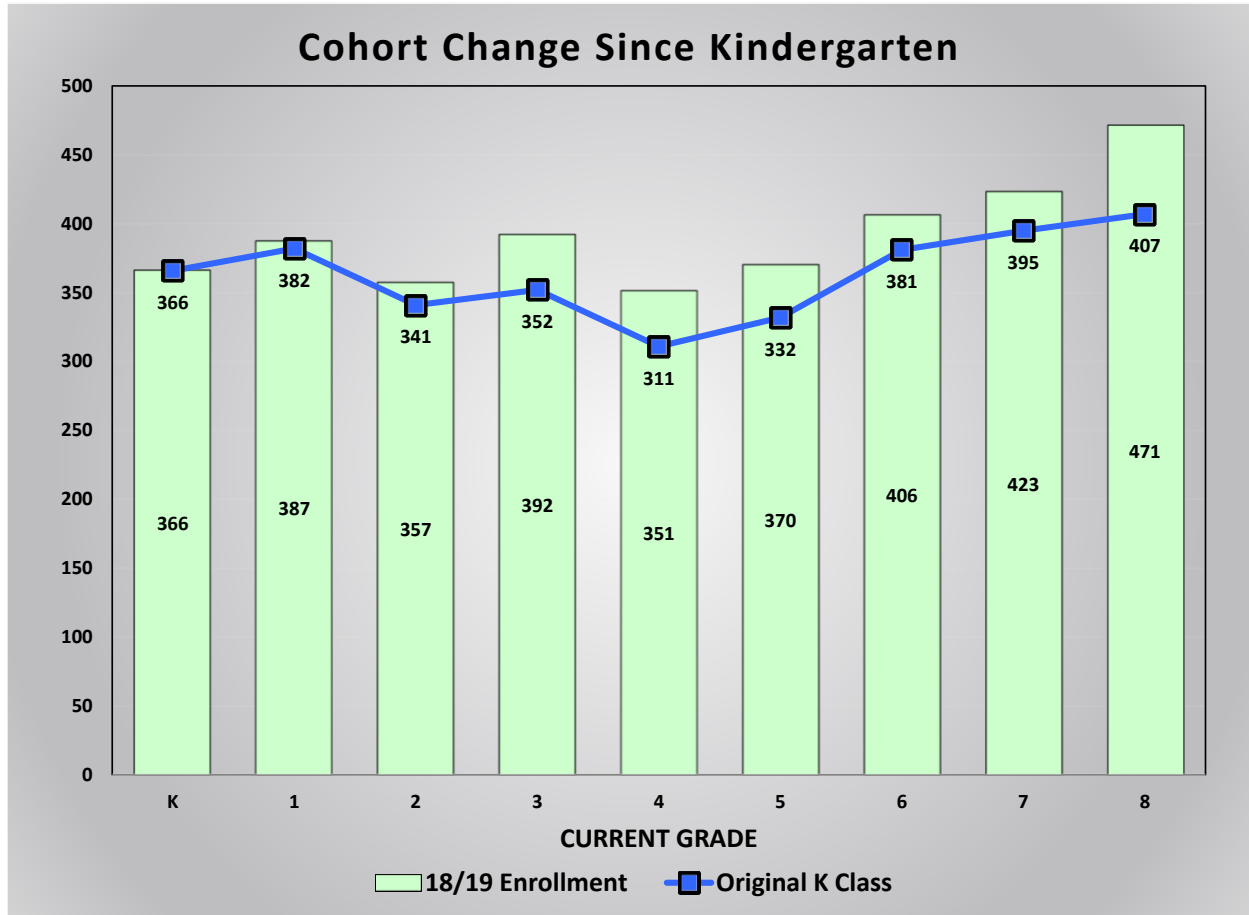


This figure shows the kindergarten capture rates for the past 12 years. Since the birth data is derived from zip code areas, which do not exactly match with the District boundaries, the capture rate also accounts for differences in the coverage areas. Low capture rates are common when a district serves only a portion of a large zip code area. A large capture rate is possible when families move into the area after the children were born, but before they arrived for kindergarten. Overall, the District has had a stable capture rate with a 12 year average of 93.37%.

Transitional Kindergarten

The Transitional Kindergarten (TK) program started in 2012 to provide an extra year for young children to get ready for kindergarten. Currently, the TK program allows four (4) year-olds who will turn five (5) between September 2 and December 2. Some districts allow parents with children just outside that window to also participate in the program. Since the window for the TK program is only 3 months, participation in the TK program is typically around 25% of the total kindergarten enrollment. In most current state processes, such as CalPADS reporting, the State Building Program, and ADA, TK students are included with the kindergarten numbers.

Retention Rates Since Kindergarten



This chart compares the original kindergarten class size to the current enrollment for each grade. For example, the current 6th grade class has 406 students and six (6) years ago the kindergarten class had 381 students. Overall the class sizes have increased since kindergarten.

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Historic Enrollment and Trends

Galt Joint Union Elementary School District								
Historic Enrollment and Cohorts								
Grade	CBEDS Enrollment				Historic Cohorts			Weighted Average
	15/16	16/17	17/18	18/19	15 to 16	16 to 17	17 to 18	
T K	63	56	77	72				
K	352	341	382	366	-11	41	-16	3.8
1	342	357	349	387	5	8	5	6.0
2	343	349	382	357	7	25	8	13.5
3	404	346	347	392	3	-2	10	4.8
4	405	401	355	351	-3	9	4	4.5
5	440	412	399	370	7	-2	15	8.0
6	458	451	411	406	11	-1	7	5.0
7	433	471	448	423	13	-3	12	7.2
8	406	426	481	471	-7	10	23	13.7
Totals	3,646	3,610	3,631	3,595	2.8	9.4	7.6	7.4
Annual Change:		-36	21	-36				

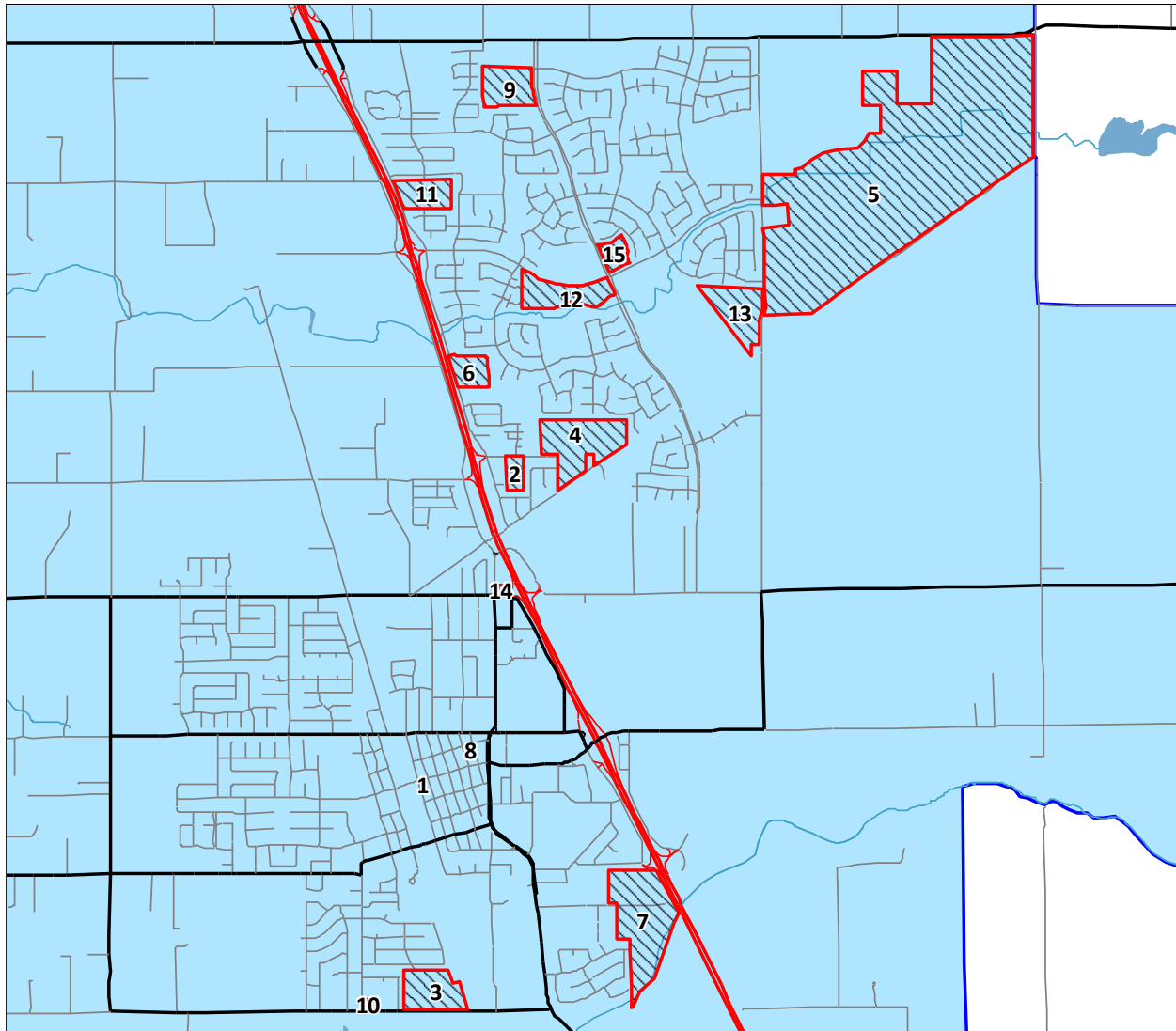
This chart shows the enrollment by grade level over the past four (4) years. The cohort values were calculated for each grade and each year, along with the weighted average for each grade. A positive cohort value indicates that grade is expected to have more students than the previous grade last year. A negative value would mean that the grade has fewer students compared to the previous grade last year.

In general, a positive cohort is representative of growth and a negative cohort indicates a decline in enrollment. There are some exceptions. First grade usually has a positive cohort, as there are some students that do not attend kindergarten at public schools but arrive in first grade.

Another important item to notice is the current breakdown by grade level of the student population. Comparing the number of students in the lower grades to the upper grades can indicate potential increases or decreases in future enrollments. Also, if there is a large class or a small class, it will slowly cause a ripple in the enrollments as it advances a grade each year.

Finally, the annual change at the bottom of this chart indicates the net impact of the changes in enrollment over the past few years.

New Housing Developments



This close up view of the District shows the location of the projected new development areas. The projections used in this report are based on the following number of units projected from these developments:

ID Name	Remaining Units	6 Year Projection	Elem Boundary	ID Name	Remaining Units	6 Year Projection	Elem Boundary
1 4th and C	9	9	Valley Oaks Elem	9 Greenwood Cottages	226	0	Lake Canyon Elem
2 Ayers Lane Estates	22	0	River Oaks Elem	10 Legacy Estates	5	0	Valley Oaks Elem
3 Cardosa I	69	0	Valley Oaks Elem	11 Morali Estates	50	50	Lake Canyon Elem
4 Cedar Flat Estates	120	120	River Oaks Elem	12 Parlin Oaks PUD	223	0	River Oaks Elem
5 Eastview SP	1,745	265	Marengo Ranch Elem	13 River Oaks Ph C	70	70	River Oaks Elem
6 Emerald Park 22	10	10	River Oaks Elem	14 Trailridge Apartment	14	14	Greer Elem
7 Fairway Oaks	100	100	Valley Oaks Elem	15 Veranda at River Oak	60	60	Marengo Ranch Elem
8 Gerbitz Townhome	6	0	Valley Oaks Elem	Totals	2,729	698	

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Assuming that 698 of the 2,729 planned units are completed over a six (6) year period, there would be an average of 116 new housing units per year. To determine the impact of the new housing development, each new housing unit is multiplied by the student yield rate. Currently the District student yield rate is 0.446 students per housing unit. This breaks down as follows:

<u>Grade</u>	<u>2010 Students in District</u>	<u>2010 Housing Units</u>	<u>Student Yield Rate</u>
Total K-6	2,997	8,896	0.337
Total 7-8	972	8,896	0.109
Total	3,969		0.446

Based on 2010 Census Data for school district.

The yield rate used for new construction eligibility determination in the State building program is 0.50 students per home for K-8 districts. The yield rate in the Galt Joint Union Elementary School District is lower than the State average.

<u>School</u>	<u>19/20 Year 1</u>	<u>20/21 Year 2</u>	<u>21/22 Year 3</u>	<u>22/23 Year 4</u>	<u>23/24 Year 5</u>	<u>24/25 Year 6</u>	<u>Totals</u>
Lake Canyon Elem	0	0	10	20	20	0	50
Marengo Ranch Elem	0	20	20	65	95	125	325
River Oaks Elem	35	25	20	30	40	50	200
Valley Oaks Elem	0	9	25	25	25	25	109
Greer Elem	14	0	0	0	0	0	14
Elementary Totals	49	54	75	140	180	200	698
McCaffrey Middle	49	54	75	140	180	200	698
Middle Totals	49	54	75	140	180	200	698

Based on these estimated construction rates, the development will generate 22 students next year and a total of 311 students over the next six (6) years.

Classroom Counts and Capacity

It is important to understand that capacity and classroom counts may be viewed different ways for different purposes. The State School Facilities Program (SFP) considers all available teaching stations excluding physical education facilities and core facilities (e.g., libraries, multipurpose rooms, and administrative spaces), as part of the site capacity when calculating eligibility for new construction or modernization funding. The State also has its own loading standards per classroom as part of the eligibility determinations.

Another method for calculating capacity and number of classrooms is based on local District standards of class size and a definition of what is considered a full day teaching station. The District may set aside several classroom spaces defined by the SFP for specialized programs or pull-out spaces.

The classroom counts and capacities defined in this Demographic Study represent the rooms that have been identified by Galt Joint Union Elementary School District administration as designated fulltime teaching stations. This count is a net count and may not take into consideration other rooms which could be used as fulltime teaching stations but are needed for other programs offered by the District.

The classroom counts are shown for each school and are used to determine the capacity. The classroom counts represent the rooms that can be used for teaching purposes at each school site. The classroom counts may not represent the current classrooms being used, as there may be unused rooms on the school site. In some cases, there may be fewer classrooms counted than current teaching stations if some of the rooms being used were designed for other purposes but are currently being used as classrooms due to overcrowding.

The summary below illustrates the difference between the Gross classroom count and the Net classroom count.

Galt Joint Union Elementary School District
Classroom Count Summary

<u>Elementary Schools</u>	<u>Gross CR Count</u>	<u>Net CR Count</u>	<u>Excluded CR</u>
Lake Canyon Elem	26	23	3
Marengo Ranch Elem	38	34	4
River Oaks Elem	33	29	4
Valley Oaks Elem	39	35	4
Greer Elem	32	28	4
Sub-Totals	194	172	22
<u>Middle Schools</u>			
McCaffrey Middle	44	40	4
Sub-Totals	44	40	4
District Totals	238	212	26

School Projections

The study provides a detailed analysis of student attendance patterns and enrollment for each school. This includes a boundary map illustrating that particular school's attendance patterns along with a chart showing the projected enrollment for the next six (6) years. These charts indicate the actual enrollment at each school over the past four (4) years along with the projected enrollment for the next six (6) years.

The current capacity is shown on these charts to identify if there will be classroom space available for the students. If space is not available, then the attendance patterns will likely need to change if the additional facilities are not provided. The capacity for each school was determined by using the following loading standards for each classroom identified:

<u>Grade</u>	<u>Loading Standard</u>
TK-K	20 (Double Session = 40)
1-3	20
4-6	30
7-8	32

These loading standards are based on the current loading factors used this year and may change based on the level of funding for schools in the future.

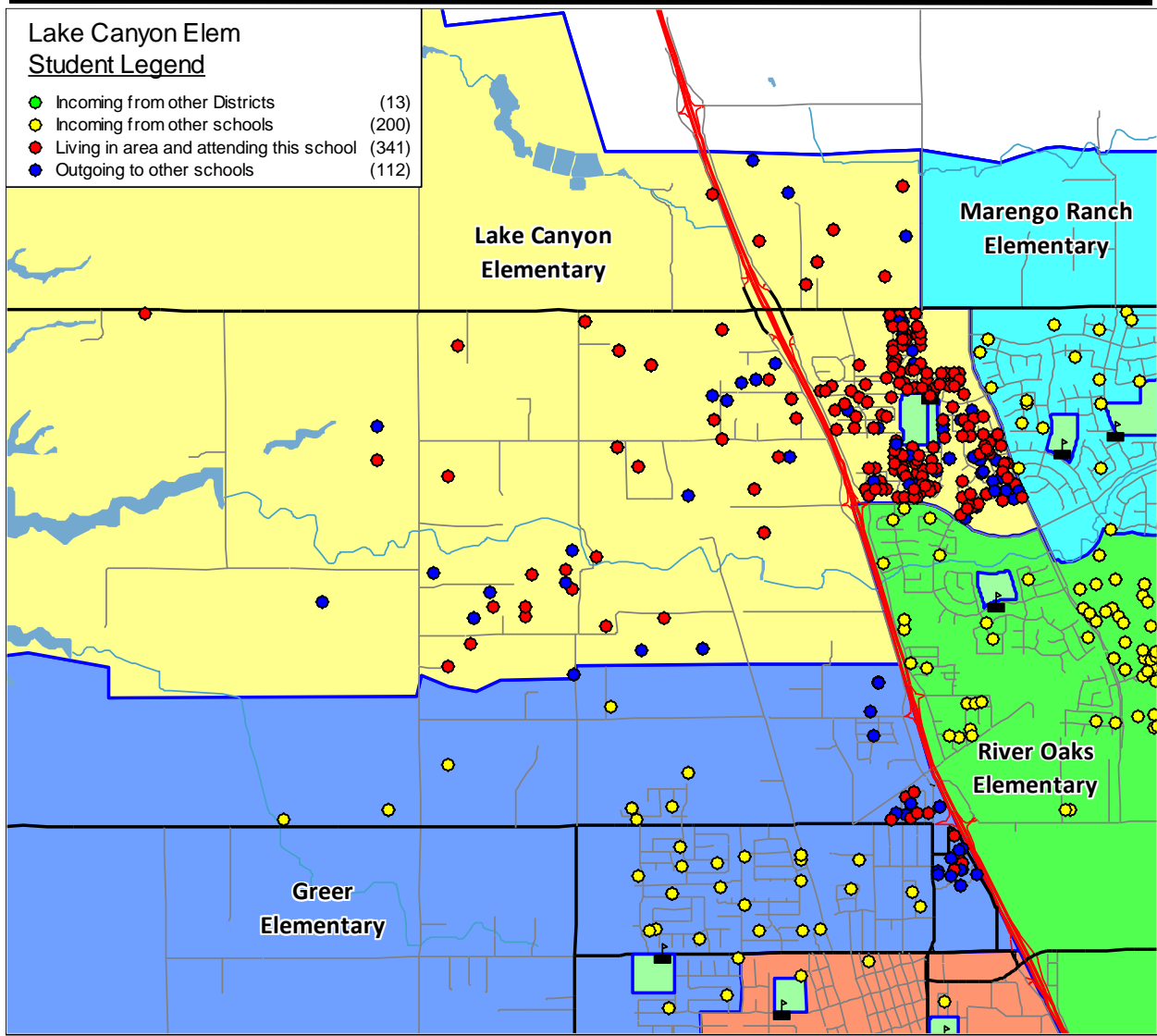
Backup data is provided below each projection chart that shows the calculations of the cohort factors used to determine the enrollment projections for each school.

The number of students living in the boundary are shown, which are then used to generate the cohort factors. The weighted average of the three (3) years was determined with the current year weighted 50%, the prior year 33.3% and the last year 16.7%. This gives the current trends more value in determining the projections. Those cohorts are then used to determine the students who will be residing in each attendance area for the following years. The kindergarten enrollment is projected using the birth data instead of the cohort factor shown here.

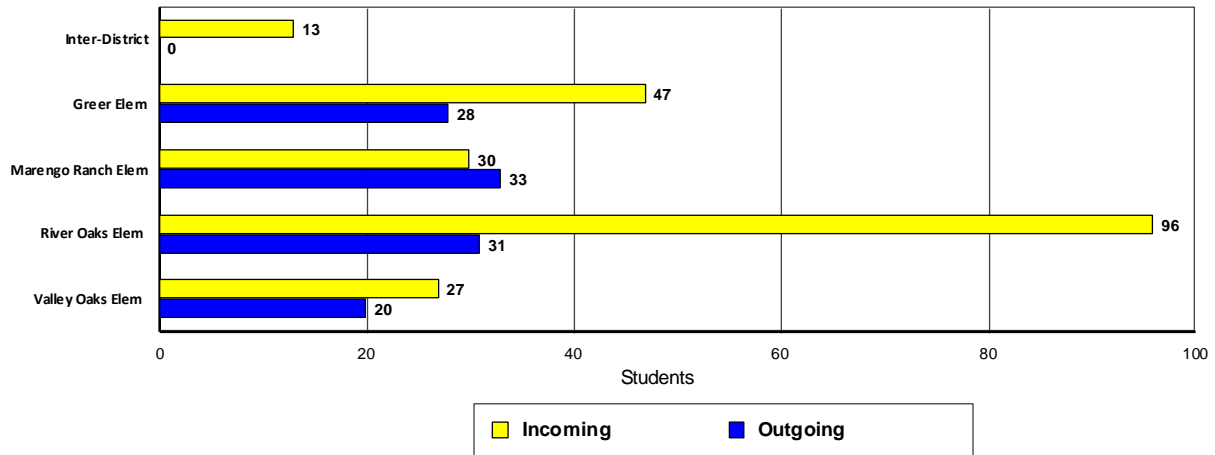
The Attendance Factors were determined by analyzing the current year of students to see how many Inter- and Intra-District transfers there are. Once the baseline projections are calculated for the residents in the attendance area, the Intra-District and Inter-District factors are applied to determine the projected enrollment for each school.

The last three (3) columns in the chart, Current Enrollment, 19/20 Projection, and Net Change, show the current enrollment, next year's projection and net change in enrollment for next year. These are compared by grade to show the details needed for staffing and classroom needs.

Galt Joint Union Elementary School District Demographic Study 2018/19

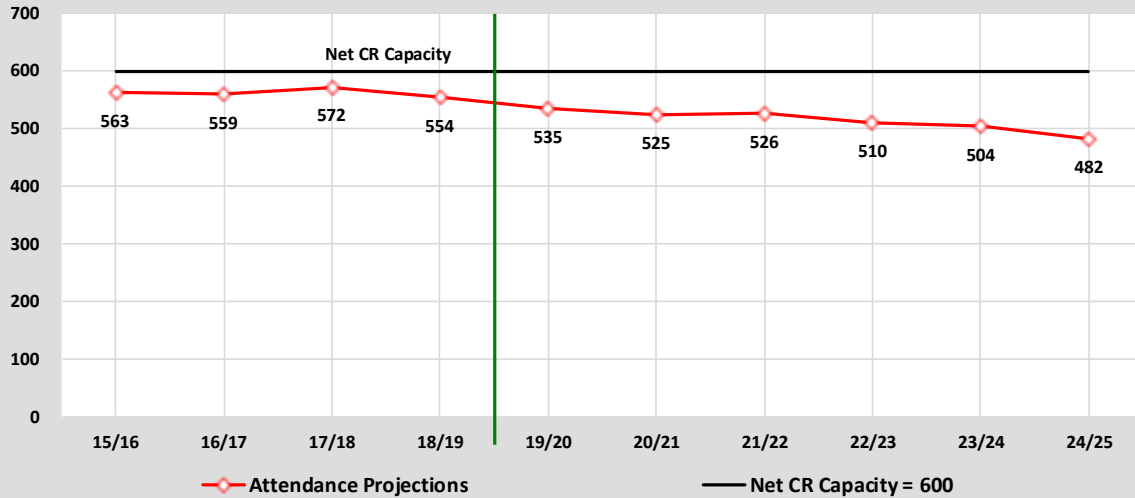


Lake Canyon Elem
Transfer Students



Galt Joint Union Elementary School District
Demographic Study
2018/19

Boundary Change Projection Impacts
Lake Canyon Elem



Boundary change starts in 19/20
 Grandfathering allowed until students finish school
 All Portables Loaded
 Net Classroom Count = 23
 Grades Served = K - 6

Classroom Needs Timeline

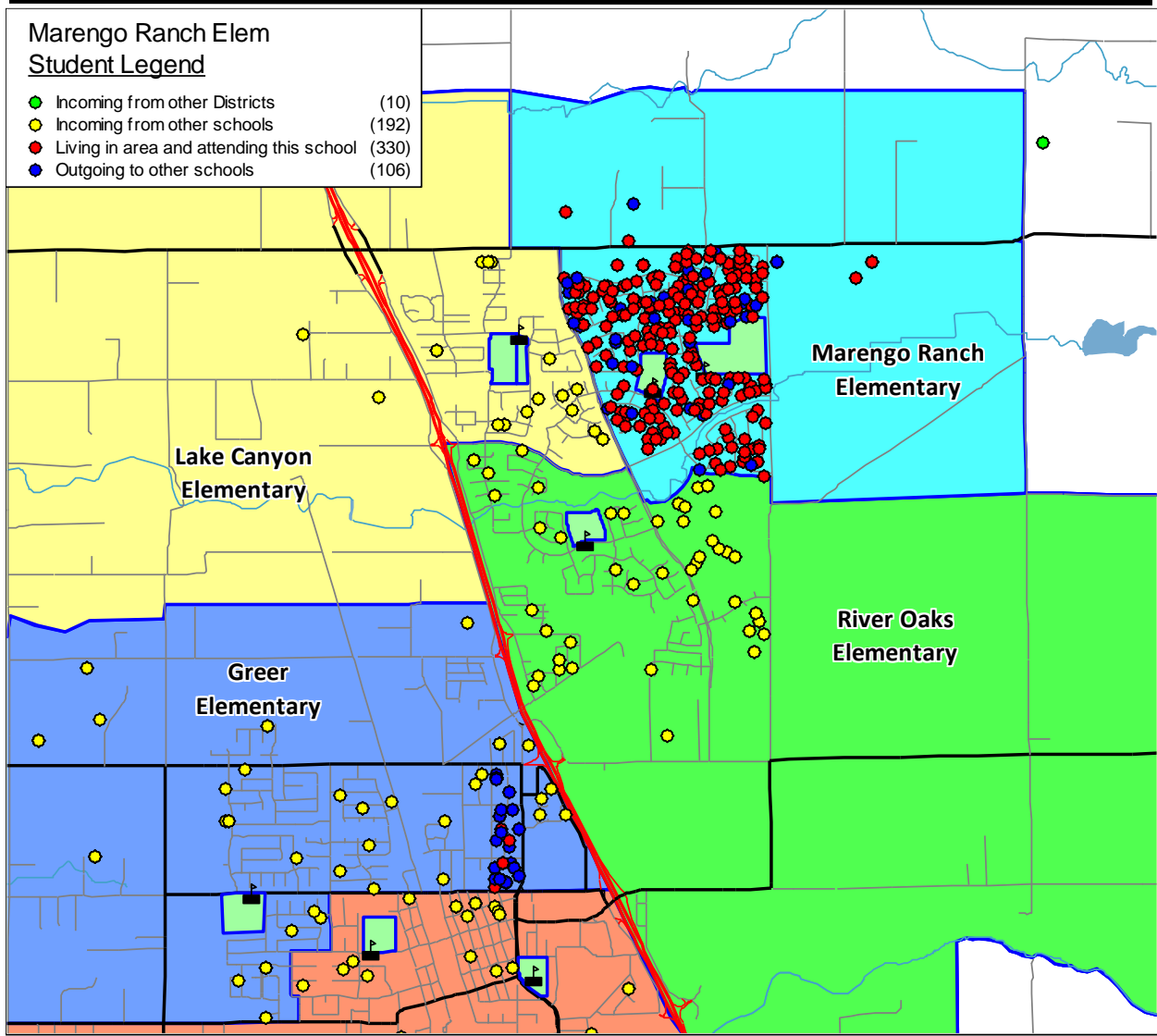
Year	Total Students*	Annual Change	Spec. Ed. Students	Net CR Capacity	Unhoused Students	Annual CR Needed	Total CR's Needed	Available Seats	Projected Housing Units
18/19	554	-18	0	600	0	0	-1	46	0
19/20	535	-19	0	600	0	0	-4	65	0
20/21	525	-10	0	600	0	0	-4	75	0
21/22	526	1	0	600	0	0	-4	74	10
22/23	510	-16	0	600	0	0	-4	90	20
23/24	504	-6	0	600	0	0	-4	96	20
24/25	482	-22	0	600	0	0	-5	118	0

* Based on Students Attending (Squares on Graph)
 Net Classroom Count = 23

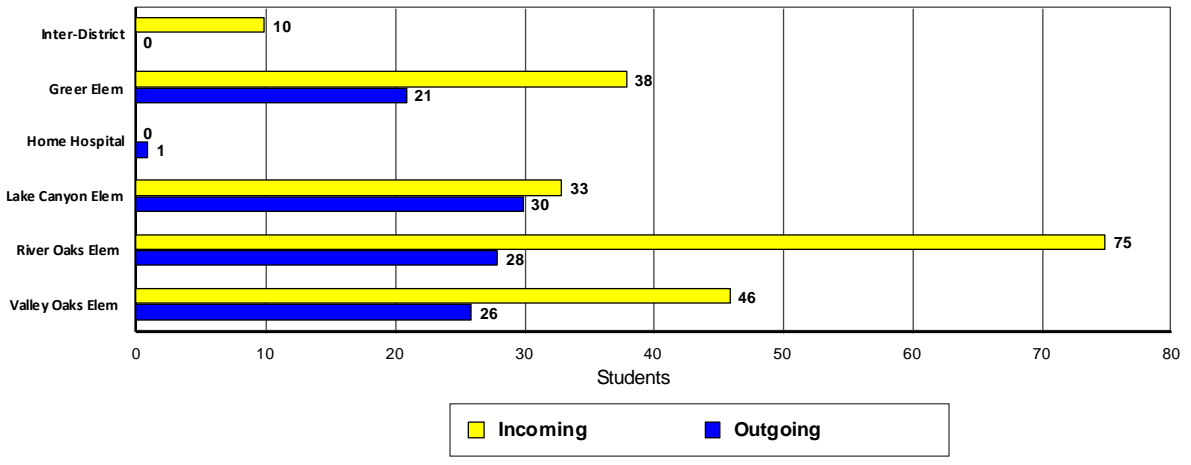
Lake Canyon Elem

YEAR:	Students in boundary				Historic Cohorts			Weighted Average	Attendance Factors		Current Enrollment	19/20 Projection	Net Change
	15/16	16/17	17/18	18/19	15 to 16	16 to 17	17 to 18		Intra	Inter			
Grade													
T K	7	10	15	13							19	19	0
K	49	47	57	53	-2	10	-4	0	22.6%	0.0%	72	63	-9
1	44	52	48	51	3	1	-6	-1	2.0%	3.9%	66	55	-11
2	44	44	55	51	0	3	3	3	23.5%	3.9%	80	89	9
3	51	47	40	54	3	-4	-1	-1	27.8%	5.6%	87	75	-12
4	45	52	52	46	1	5	6	5	17.4%	4.3%	66	87	21
5	63	46	56	49	1	4	-3	0	30.6%	2.0%	75	70	-5
6	62	64	46	58	1	0	2	1	24.1%	5.2%	89	77	-12
Totals	365	362	369	375	1.0	2.7	-0.4	1.0	21.2%	3.6%	554	535	-19

Galt Joint Union Elementary School District Demographic Study 2018/19

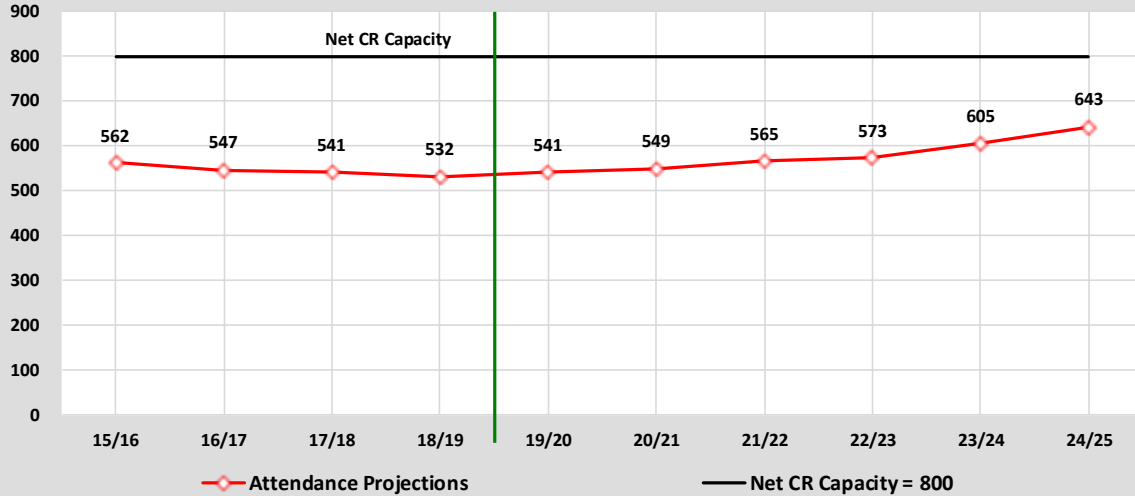


Marengo Ranch Elem
Transfer Students



Galt Joint Union Elementary School District
Demographic Study
2018/19

Boundary Change Projection Impacts
Marengo Ranch Elem



Boundary change starts in 19/20
 Grandfathering allowed until students finish school
 All Portables Loaded
 Net Classroom Count = 34
 Grades Served = K - 6

Classroom Needs Timeline

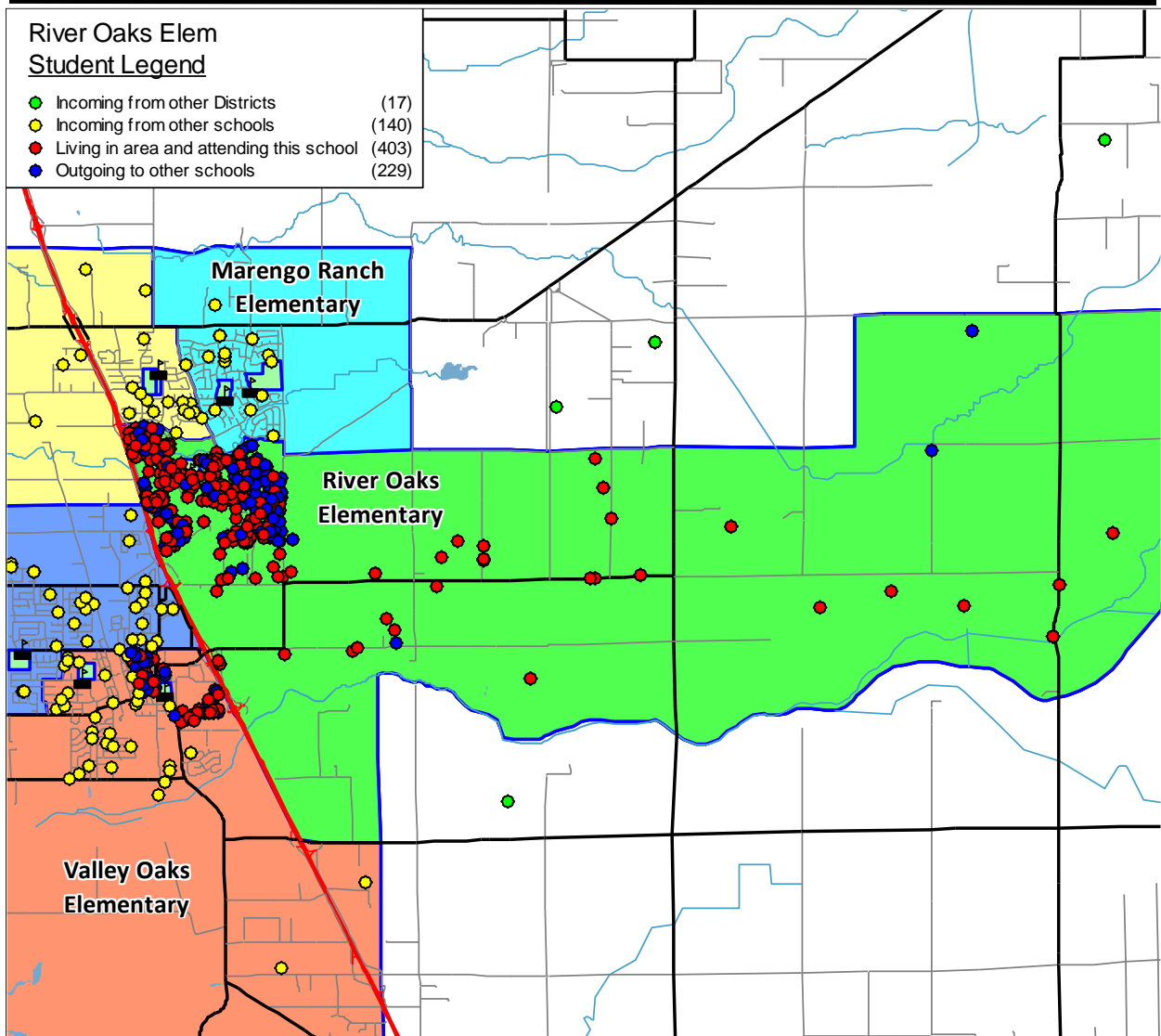
Year	Total Students*	Annual Change	Spec. Ed. Students	Net CR Capacity	Unhoused Students	Annual CR Needed	Total CR's Needed	Available Seats	Projected Housing Units
18/19	532	-9	0	800	0	0	-11	268	
19/20	541	9	0	800	0	0	-12	259	0
20/21	549	8	0	800	0	0	-10	251	20
21/22	565	16	0	800	0	0	-10	235	20
22/23	573	8	0	800	0	0	-9	227	65
23/24	605	32	0	800	0	0	-8	195	95
24/25	643	38	0	800	0	0	-7	157	125

* Based on Students Attending (Squares on Graph)
 Net Classroom Count = 34

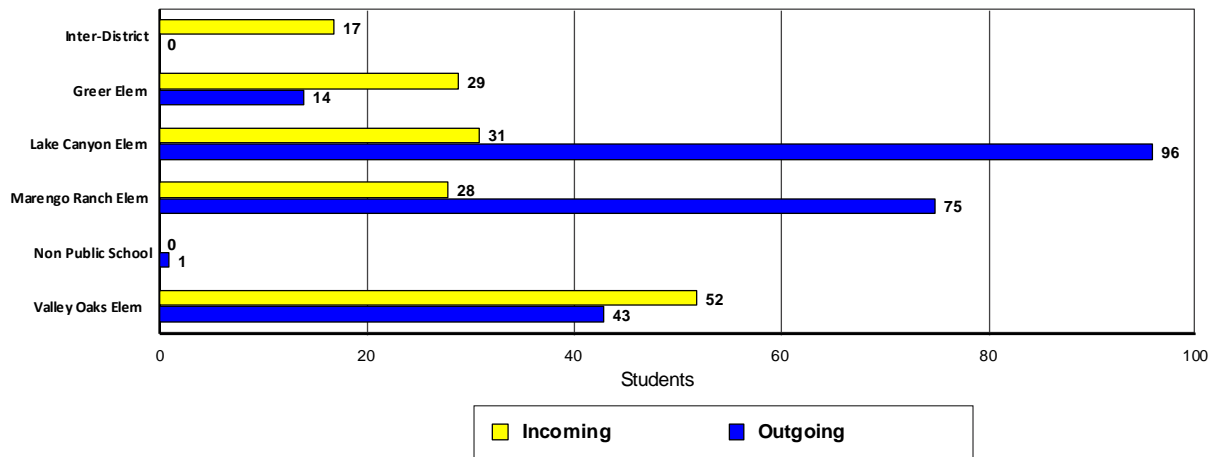
Marengo Ranch Elem

YEAR:	Students in boundary				Historic Cohorts			Weighted Average	Attendance Factors		Current Enrollment	19/20 Projection	Net Change
	15/16	16/17	17/18	18/19	15 to 16	16 to 17	17 to 18		Intra	Inter			
Grade													
T K	7	10	12	5							8	8	0
K	65	47	55	56	-18	8	1	0	37.5%	3.6%	81	80	-1
1	50	64	46	51	-1	-1	-4	-1	51.0%	2.0%	79	85	6
2	56	53	59	43	3	-5	-3	-3	53.5%	0.0%	67	70	3
3	53	55	49	61	-1	-4	2	-1	34.4%	3.3%	87	72	-15
4	72	48	55	50	-5	0	1	0	38.0%	4.0%	72	86	14
5	81	72	45	54	0	-3	-1	-2	22.2%	0.0%	68	62	-6
6	90	84	73	56	3	1	11	6	19.6%	5.4%	70	78	8
Totals	474	433	394	376	-2.7	-0.6	1.0	-0.1	36.6%	2.6%	532	541	9

Galt Joint Union Elementary School District Demographic Study 2018/19

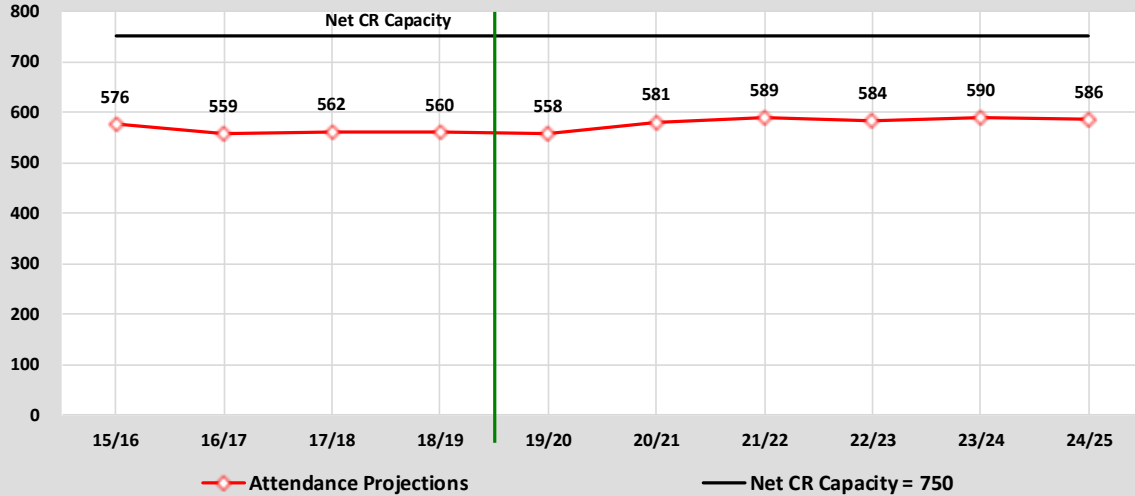


River Oaks Elem
Transfer Students



Galt Joint Union Elementary School District
Demographic Study
2018/19

Boundary Change Projection Impacts
River Oaks Elem



Boundary change starts in 19/20
 Grandfathering allowed until students finish school
 All Portables Loaded
 Net Classroom Count = 29
 Grades Served = K - 6

Classroom Needs Timeline

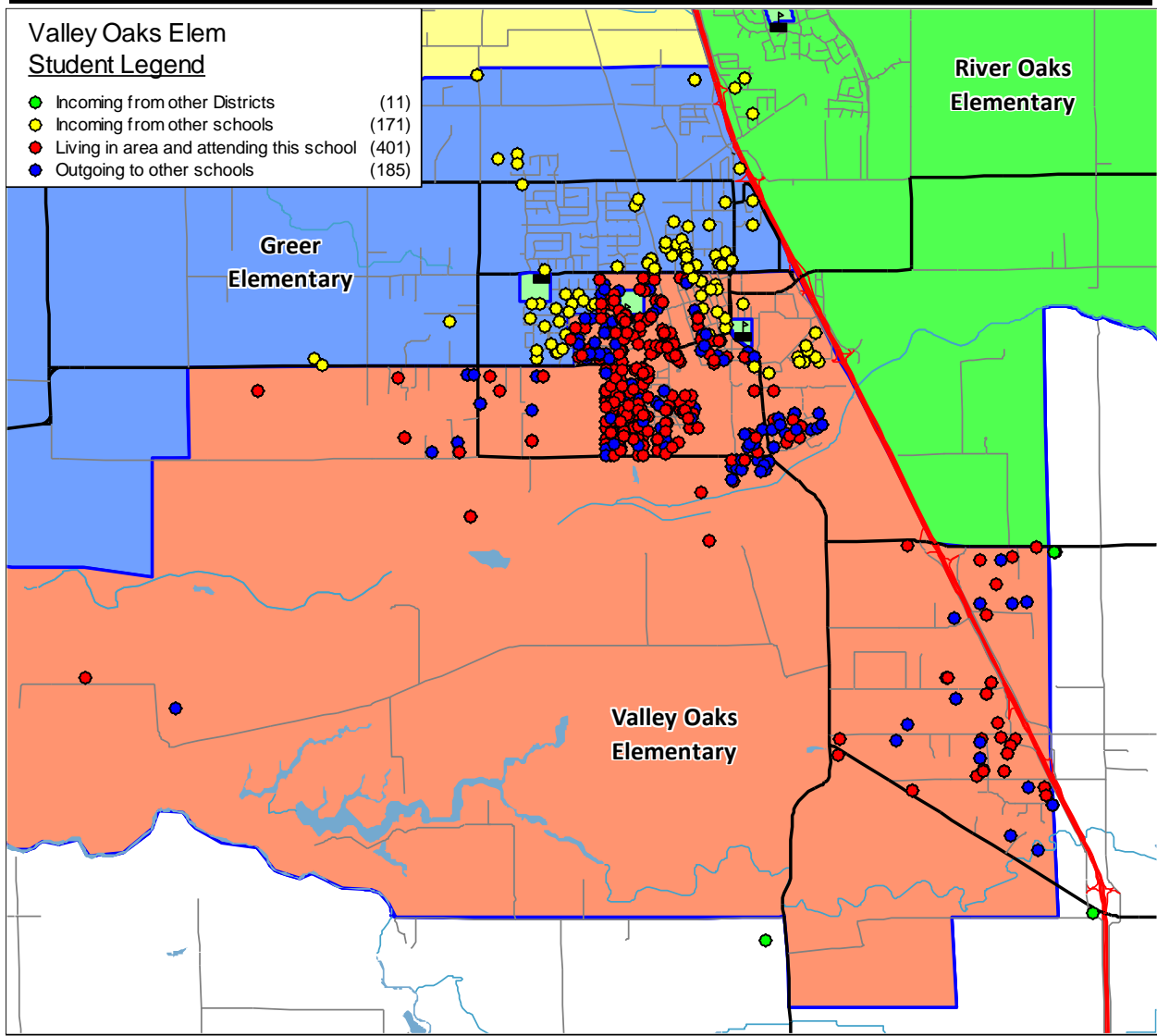
Year	Total Students*	Annual Change	Spec. Ed. Students	Net CR Capacity	Unhoused Students	Annual CR Needed	Total CR's Needed	Available Seats	Projected Housing Units
18/19	560	-2	0	750	0	0	-7	190	
19/20	558	-2	0	750	0	0	-9	192	35
20/21	581	23	0	750	0	0	-8	169	25
21/22	589	8	0	750	0	0	-7	161	20
22/23	584	-5	0	750	0	0	-7	166	30
23/24	590	6	0	750	0	0	-7	160	40
24/25	586	-4	0	750	0	0	-6	164	50

* Based on Students Attending (Squares on Graph)
 Net Classroom Count = 29

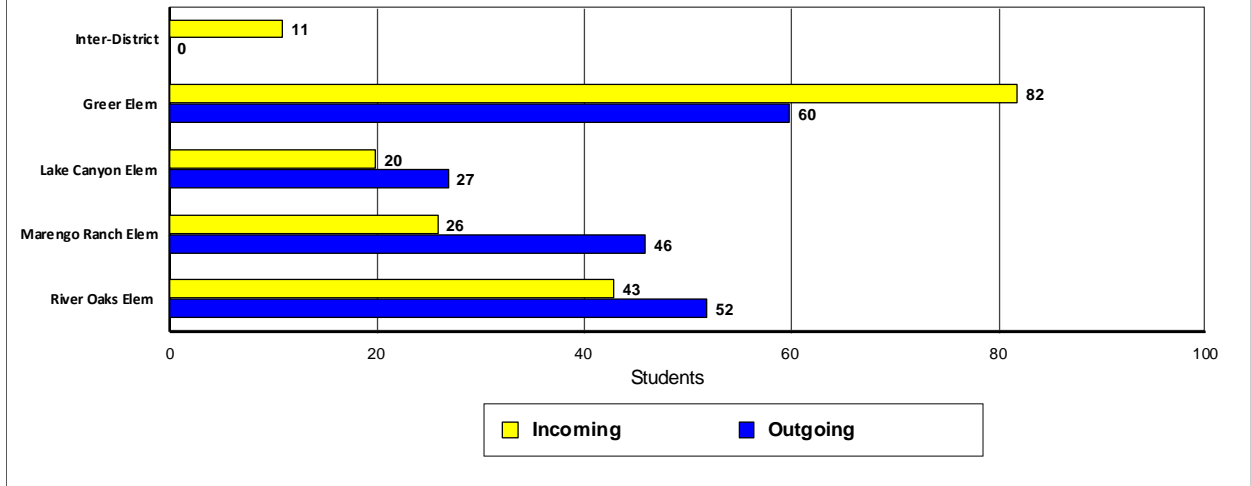
River Oaks Elem

YEAR:	Students in boundary				Historic Cohorts			Weighted Average	Attendance Factors		Current Enrollment	19/20 Projection	Net Change
	15/16	16/17	17/18	18/19	15 to 16	16 to 17	17 to 18		Intra	Inter			
Grade													
T K	13	2	14	20							22	21	-1
K	57	73	63	62	16	-10	-1	0	-6.5%	8.1%	72	61	-11
1	54	64	76	72	7	3	9	7	6.9%	2.8%	85	86	1
2	63	58	78	72	4	14	-4	3	-1.4%	1.4%	70	82	12
3	76	60	61	73	-3	3	-5	-2	12.3%	1.4%	85	79	-6
4	81	78	65	66	2	5	5	5	4.5%	1.5%	68	84	16
5	76	83	83	67	2	5	2	3	10.4%	3.0%	75	79	4
6	84	76	82	79	0	-1	-4	-2	-2.5%	6.3%	83	66	-17
Totals	504	494	522	511	4.0	2.7	0.3	2.0	3.4%	3.5%	560	558	-2

Galt Joint Union Elementary School District Demographic Study 2018/19

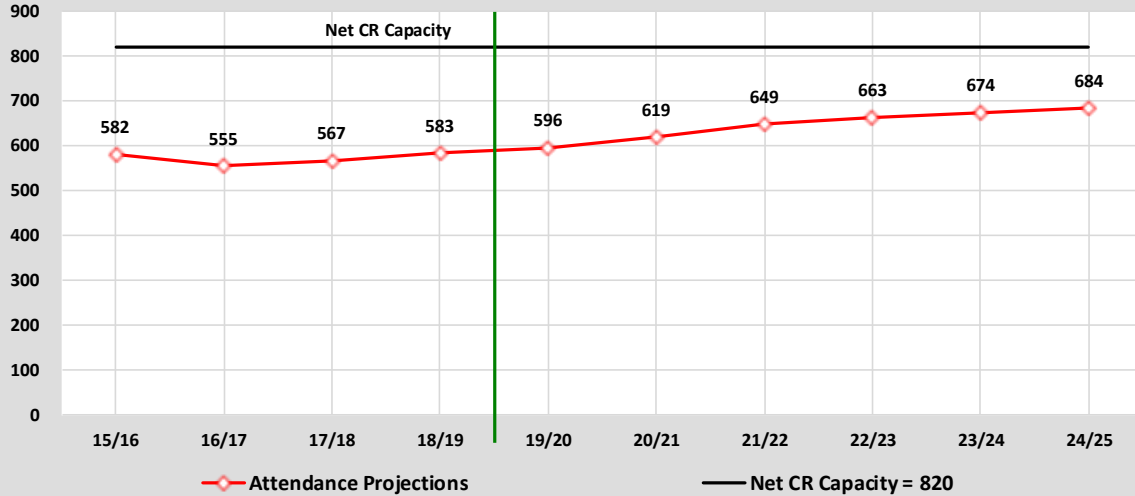


Valley Oaks Elem
Transfer Students



Galt Joint Union Elementary School District
Demographic Study
2018/19

Boundary Change Projection Impacts
Valley Oaks Elem



Boundary change starts in 19/20
 Grandfathering allowed until students finish school
 All Portables Loaded
 Net Classroom Count = 35
 Grades Served = K - 6

Classroom Needs Timeline

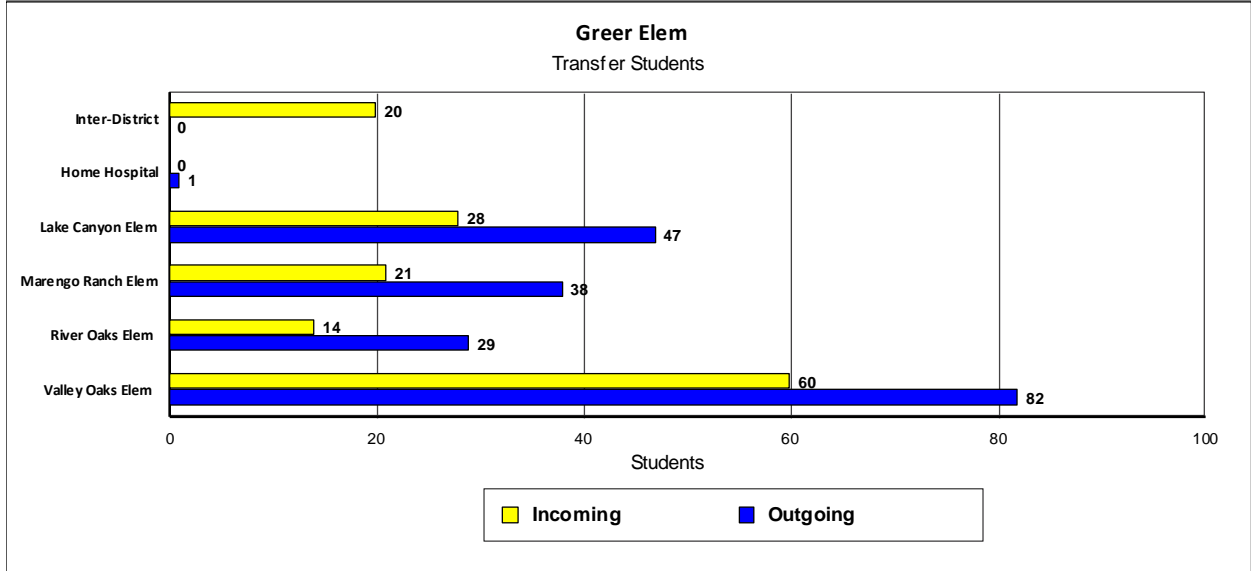
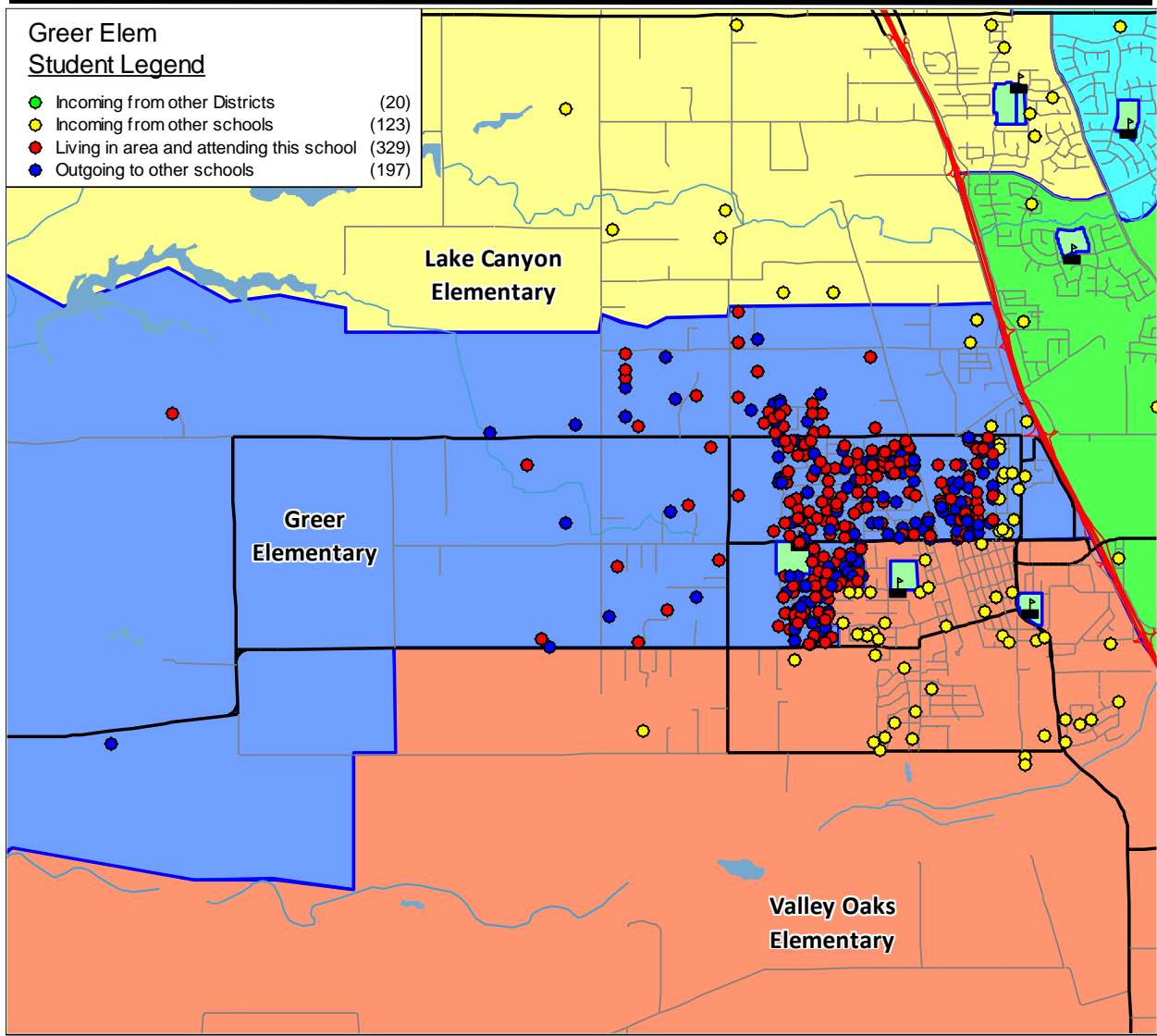
Year	Total Students*	Annual Change	Spec. Ed. Students	Net CR Capacity	Unhoused Students	Annual CR Needed	Total CR's Needed	Available Seats	Projected Housing Units
18/19	583	16	0	820	0	0	-10	237	
19/20	596	13	0	820	0	0	-8	224	0
20/21	619	23	0	820	0	0	-7	201	9
21/22	649	30	0	820	0	0	-6	171	25
22/23	663	14	0	820	0	0	-6	157	25
23/24	674	11	0	820	0	0	-6	146	25
24/25	684	10	0	820	0	0	-6	136	25

* Based on Students Attending (Squares on Graph)
 Net Classroom Count = 35

Valley Oaks Elem

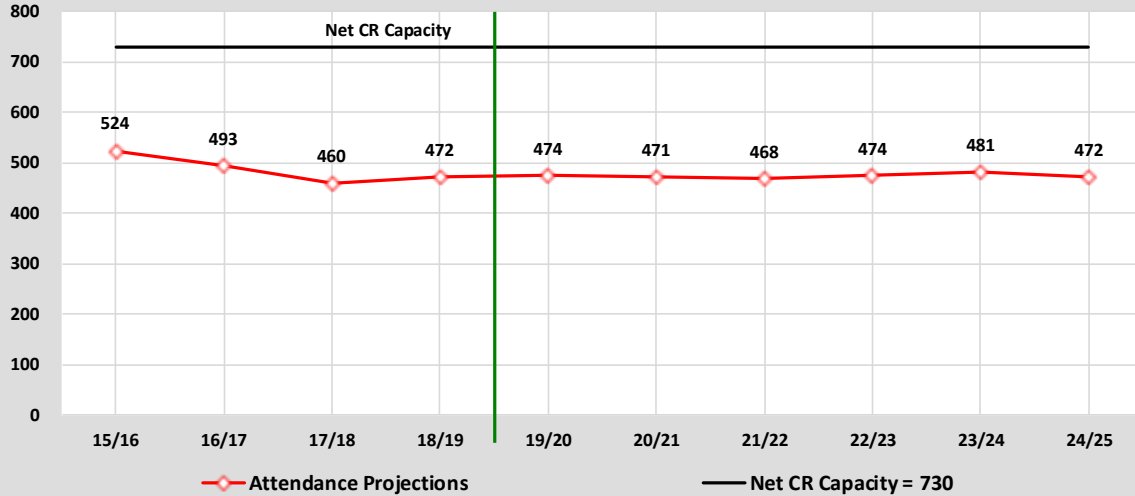
YEAR:	Students in boundary				Historic Cohorts			Weighted Average	Attendance Factors		Current Enrollment	19/20 Projection	Net Change
	15/16	16/17	17/18	18/19	15 to 16	16 to 17	17 to 18		Intra	Inter			
Grade													
T K	19	17	15	17							13	11	-2
K	92	78	96	107	-14	18	11	0	-17.8%	0.0%	73	75	2
1	87	87	88	100	-5	10	4	5	-2.0%	1.0%	87	100	13
2	90	88	94	95	1	7	7	6	-8.4%	3.2%	82	84	2
3	103	88	89	99	-2	1	5	3	-27.3%	2.0%	66	68	2
4	94	105	85	89	2	-3	0	-1	-9.0%	4.5%	81	86	5
5	95	95	100	94	1	-5	9	3	-5.3%	1.1%	85	81	-4
6	103	97	98	106	2	3	6	4	-2.8%	0.0%	96	91	-5
Totals	683	655	665	707	-2.1	4.4	6.0	2.9	-10.4%	1.7%	583	596	13

Galt Joint Union Elementary School District Demographic Study 2018/19



Galt Joint Union Elementary School District
Demographic Study
2018/19

Boundary Change Projection Impacts
Greer Elem



Boundary change starts in 19/20
 Grandfathering allowed until students finish school
 All Portables Loaded
 Net Classroom Count = 28
 Grades Served = K - 6

Classroom Needs Timeline

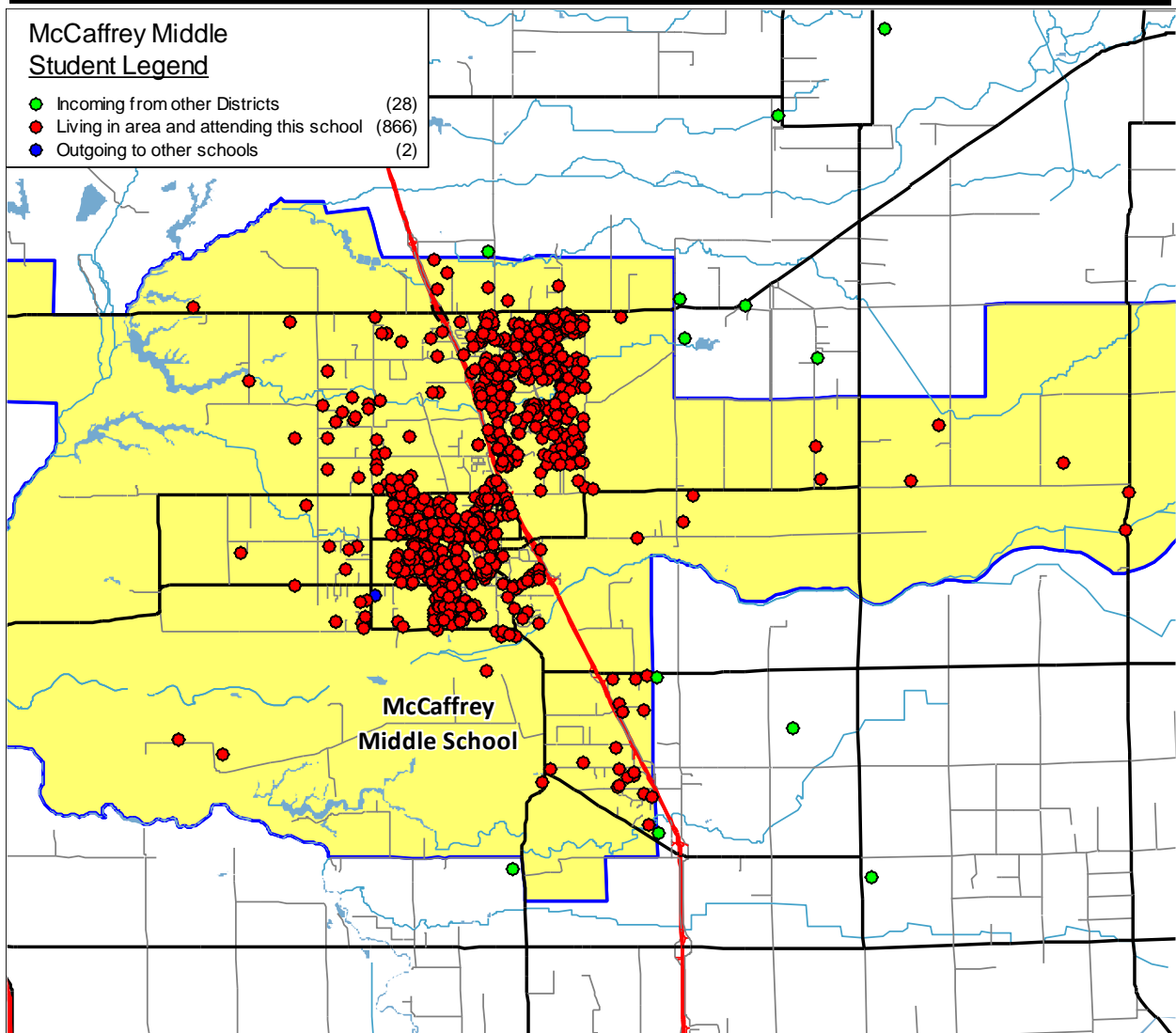
Year	Total Students*	Annual Change	Spec. Ed. Students	Net CR Capacity	Unhoused Students	Annual CR Needed	Total CR's Needed	Available Seats	Projected Housing Units
18/19	472	12	0	730	0	0	-9	258	
19/20	474	2	0	730	0	0	-8	256	14
20/21	471	-3	0	730	0	0	-8	259	0
21/22	468	-3	0	730	0	0	-9	262	0
22/23	474	6	0	730	0	0	-8	256	0
23/24	481	7	0	730	0	0	-9	249	0
24/25	472	-9	0	730	0	0	-9	258	0

* Based on Students Attending (Squares on Graph)
 Net Classroom Count = 28

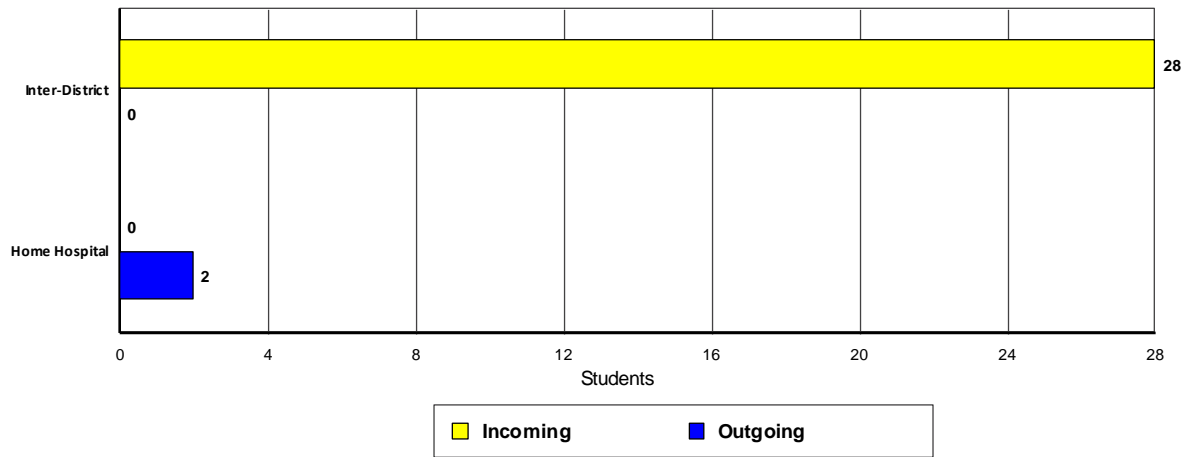
Greer Elem

YEAR:	Students in boundary				Historic Cohorts			Weighted Average	Attendance Factors		Current Enrollment	19/20 Projection	Net Change
	15/16	16/17	17/18	18/19	15 to 16	16 to 17	17 to 18		Intra	Inter			
Grade T K	17	17	21	16							10	12	2
K	84	91	103	80	7	12	-23	0	-13.8%	2.5%	68	83	15
1	98	86	87	103	2	-4	0	-1	-29.1%	3.9%	70	52	-18
2	81	95	91	90	-3	5	3	3	-30.0%	1.1%	58	70	12
3	107	88	96	93	7	1	2	3	-19.4%	4.3%	67	70	3
4	102	106	88	92	-1	0	-4	-2	-26.1%	1.1%	64	51	-13
5	113	104	100	98	2	-6	10	3	-29.6%	4.1%	67	67	0
6	107	116	100	92	3	-4	-8	-5	-21.7%	4.3%	68	69	1
Totals	709	703	686	664	2.4	0.6	-2.9	0.1	-24.2%	3.0%	472	474	2

Galt Joint Union Elementary School District Demographic Study 2018/19

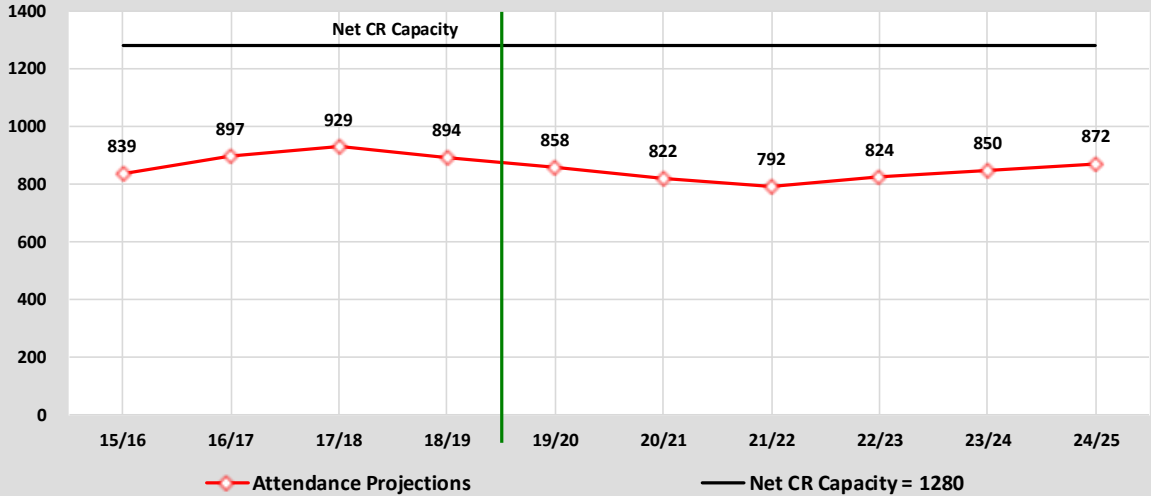


McCaffrey Middle
Transfer Students



Galt Joint Union Elementary School District
Demographic Study
2018/19

Boundary Change Projection Impacts
McCaffrey Middle



Boundary change starts in 19/20
 Grandfathering allowed until students finish school
 All Portables Loaded
 Net Classroom Count = 40
 Grades Served = 7 - 8

Classroom Needs Timeline

Year	Total Students*	Annual Change	Spec. Ed. Students	Net CR Capacity	Unhoused Students	Annual CR Needed	Total CR's Needed	Available Seats	Projected Housing Units
18/19	894	-35	0	1280	0	0	-12	386	
19/20	858	-36	0	1280	0	0	-13	422	49
20/21	822	-36	0	1280	0	0	-14	458	54
21/22	792	-30	0	1280	0	0	-15	488	75
22/23	824	32	0	1280	0	0	-14	456	140
23/24	850	26	0	1280	0	0	-13	430	180
24/25	872	22	0	1280	0	0	-13	408	200

* Based on Students Attending (Squares on Graph)
 Net Classroom Count = 40

McCaffrey Middle

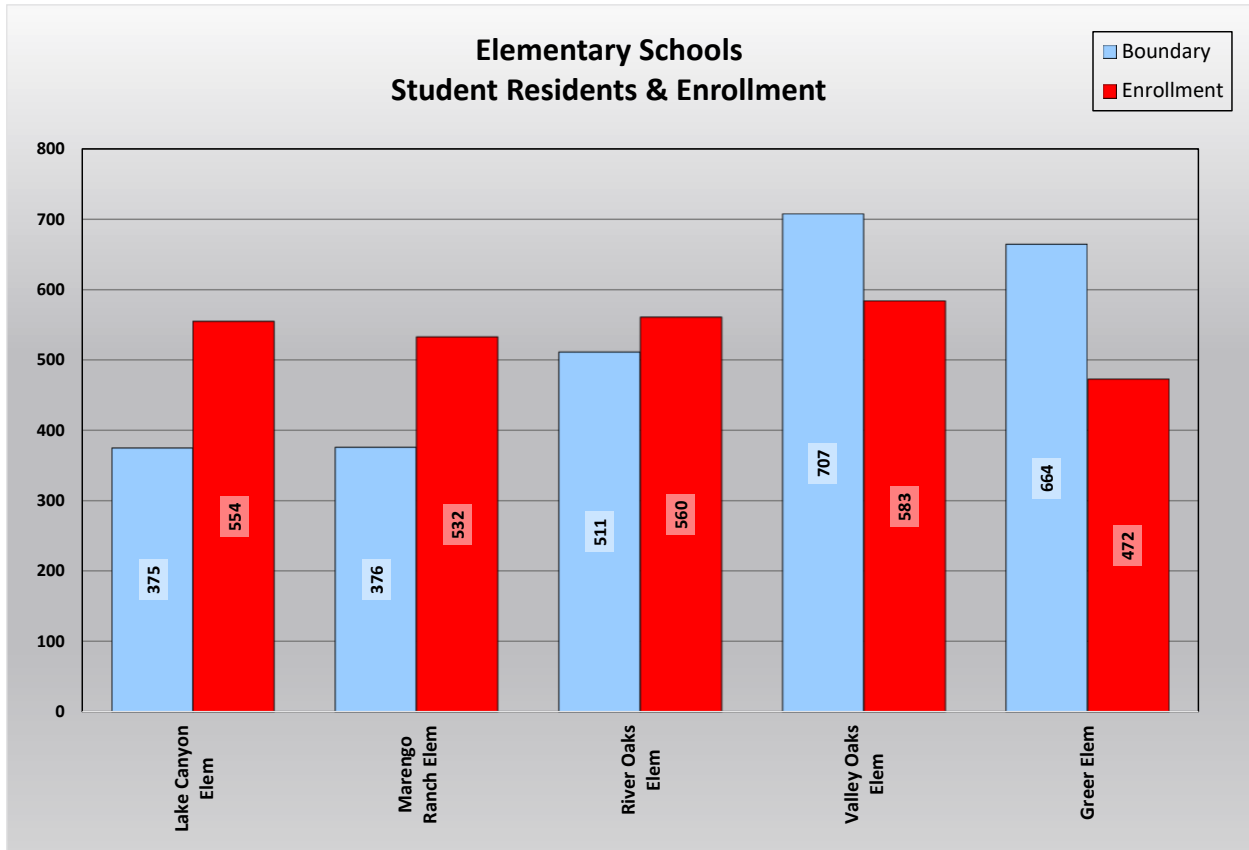
YEAR:	Students in boundary				Historic Cohorts			Weighted Average	Attendance Factors		Current Enrollment	19/20 Projection	Net Change
	15/16	16/17	17/18	18/19	15 to 16	16 to 17	17 to 18		Intra	Inter			
Grade													
T K	63	56	77	71							0	0	0
K	347	336	374	358	-11	38	-16	0	0.0%	0.0%	0	0	0
1	333	353	345	377	6	9	3	6	0.0%	0.0%	0	0	0
2	334	338	377	351	5	24	6	12	0.0%	0.0%	0	0	0
3	390	338	335	380	4	-3	3	1	0.0%	0.0%	0	0	0
4	394	389	345	343	-1	7	8	6	0.0%	0.0%	0	0	0
5	428	400	384	362	6	-5	17	8	0.0%	0.0%	0	0	0
6	446	437	399	391	9	-1	7	5	0.0%	0.0%	0	0	0
7	424	457	437	415	11	0	16	10	-0.2%	2.2%	423	410	-13
8	412	437	468	453	13	11	16	14	-0.2%	4.2%	471	448	-23
Totals	3571	3541	3541	3501	4.7	8.9	6.7	6.9	-0.2%	3.2%	894	858	-36

Student Attendance Matrix

ATTENDANCE MATRIX								
R E S I D E N C E	SCHOOL: AREA	SCHOOL OF ATTENDANCE					Total Residing	
		Lake Canyon Elem	Marengo Ranch Elem	River Oaks Elem	Valley Oaks Elem	Greer Elem		McCaffrey Middle
	Inter-District	13	10	17	11	20	28	99
	Lake Canyon Elem	341	33	31	20	28	0	453
	Marengo Ranch Elem	30	330	28	26	21	0	435
	River Oaks Elem	96	75	403	43	14	0	631
	Valley Oaks Elem	27	46	52	401	60	0	586
	Greer Elem	47	38	29	82	329	0	525
	McCaffrey Middle	0	0	0	0	0	866	866
	Total Attending	554	532	560	583	472	894	3,595
	Intra-Ins	200	192	140	171	123	0	826
	Inter-Ins	13	10	17	11	20	28	99
	Total In-Flow	213	202	157	182	143	28	925
	Intra-Outs	112	105	228	185	196	0	826
	Net Transfers	101	97	-71	-3	-53	28	99
	% In Flow Students	38.4%	38.0%	28.0%	31.2%	30.3%	3.1%	25.7%
	% Out Flow Students	24.7%	24.1%	36.1%	31.6%	37.3%	0.0%	23.0%

This chart summarizes the transfers in and out of each school as were seen by the yellow dots and blue dots on the school attendance maps. In addition, the data has been analyzed to determine the total in-flow and out-flow rates for each school. The school with the largest in-flow rate is Lake Canyon Elementary and the school with the largest out-flow rate is Greer Elementary.

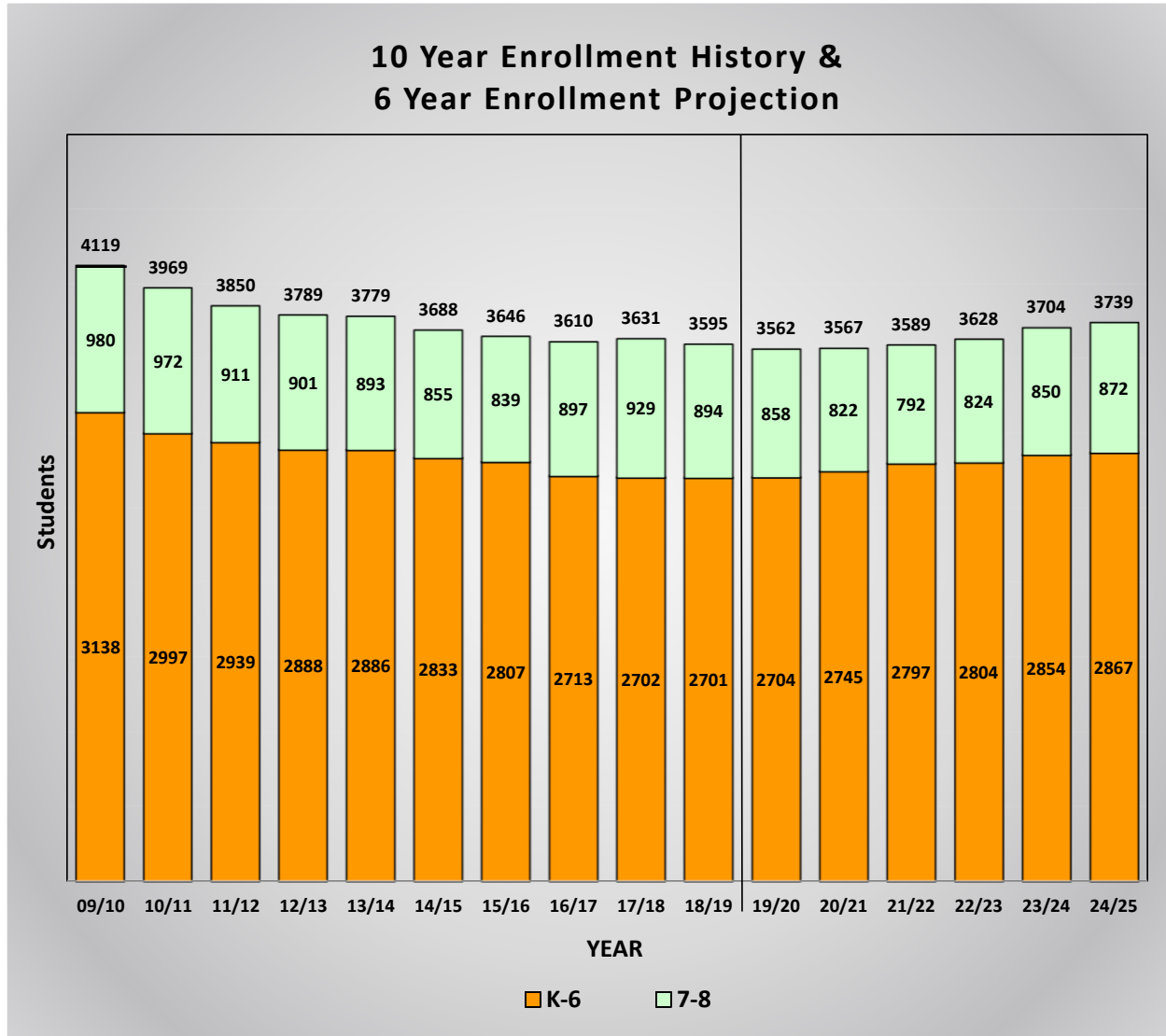
Student Residency and Enrollment Comparison



This chart compares each individual elementary school enrollment to the students that reside within the school attendance boundary. Utilizing this data helps make it easy to see which schools have the largest and smallest enrollments as well as which boundaries are most populated. Schools with more students enrolled than those living in the boundary have a net transfer into the school. This is typically found at schools with special programs such as Gate or Dual Immersion, schools housing students from overcrowded or Program Improvement (PI) schools, and schools with more capacity than the student population living in the boundary.

District Projections

This graph shows a summary of the projections for the entire District. It shows the current enrollment for 2018/19, the historic enrollment for the past nine (9) years, and the projected enrollment for the next six (6) years. The end result is a total of 3,739 students in the District in 2024/25.



Galt Joint Union Elementary School District
Demographic Study
2018/19

One Year Enrollment Projection Summary

Galt Joint Union Elementary School District											
Enrollment Projections											
YEAR 19/20, 1 Year Proj.											
School	TK	K	1	2	3	4	5	6	7	8	TOTAL
Lake Canyon Elem	19	63	55	89	75	87	70	77	0	0	535
Marengo Ranch Elem	8	80	85	70	72	86	62	78	0	0	541
River Oaks Elem	21	61	86	82	79	84	79	66	0	0	558
Valley Oaks Elem	11	75	100	84	68	86	81	91	0	0	596
Greer Elem	12	83	52	70	70	51	67	69	0	0	474
McCaffrey Middle	0	0	0	0	0	0	0	0	410	448	858
Totals	71	362	378	395	364	394	359	381	410	448	3,562
Current CBEDS	72	366	387	357	392	351	370	406	423	471	3,595
Net Change	-1	-4	-9	38	-28	43	-11	-25	-13	-23	-33
Cohort Change			12	8	7	2	8	11	4	25	

The projection for next year (2019/20) shows a decrease of 33 students. The largest declines will be seen at grades 3, 6, and 8. The largest increases are at grades 2 and 4.

These projections assume the transfers between schools remain consistent. If changes in facilities, schedules, programs or policies are made, then the patterns may be impacted.

Galt Joint Union Elementary School District
Demographic Study
2018/19

Enrollment Projection Summary by Grade

Galt Joint Union Elementary School District										
Enrollment Projection Summary by Grade										
Grade	Historic Enrollment			Current	Projected Enrollment					
	<u>15/16</u>	<u>16/17</u>	<u>17/18</u>	<u>18/19</u>	<u>19/20</u>	<u>20/21</u>	<u>21/22</u>	<u>22/23</u>	<u>23/24</u>	<u>24/25</u>
TK	63	56	77	72	71	73	72	68	68	68
K	352	341	382	366	362	368	369	355	361	367
1	342	357	349	387	378	373	380	383	370	378
2	343	349	382	357	395	387	382	391	395	383
3	404	346	347	392	364	403	396	395	405	409
4	405	401	355	351	394	367	406	402	402	414
5	440	412	399	370	359	403	376	418	416	415
6	458	451	411	406	381	371	416	392	437	433
7	433	471	448	423	410	387	378	421	401	442
8	406	426	481	471	448	435	414	403	449	430
Total K-6	2,807	2,713	2,702	2,701	2,704	2,745	2,797	2,804	2,854	2,867
Total 7-8	839	897	929	894	858	822	792	824	850	872
District Totals	3,646	3,610	3,631	3,595	3,562	3,567	3,589	3,628	3,704	3,739

Galt Joint Union Elementary School District
Demographic Study
2018/19

Enrollment Projection Summary by School

Galt Joint Union Elementary School District							
Enrollment Projection Summary by School							
	Current Enrollment						
School	<u>18/19</u>	<u>19/20</u>	<u>20/21</u>	<u>21/22</u>	<u>22/23</u>	<u>23/24</u>	<u>24/25</u>
Lake Canyon Elem	554	535	525	526	510	504	482
Marengo Ranch Elem	532	541	549	565	573	605	643
River Oaks Elem	560	558	581	589	584	590	586
Valley Oaks Elem	583	596	619	649	663	674	684
Greer Elem	472	474	471	468	474	481	472
Elementary Totals	2,701	2,704	2,745	2,797	2,804	2,854	2,867
McCaffrey Middle	894	858	822	792	824	850	872
Middle Totals	894	858	822	792	824	850	872
District Totals	3,595	3,562	3,567	3,589	3,628	3,704	3,739
Annual Change		-33	5	22	39	76	35

Galt Joint Union Elementary School District

Demographic Study

2018/19

School Facility Utilization

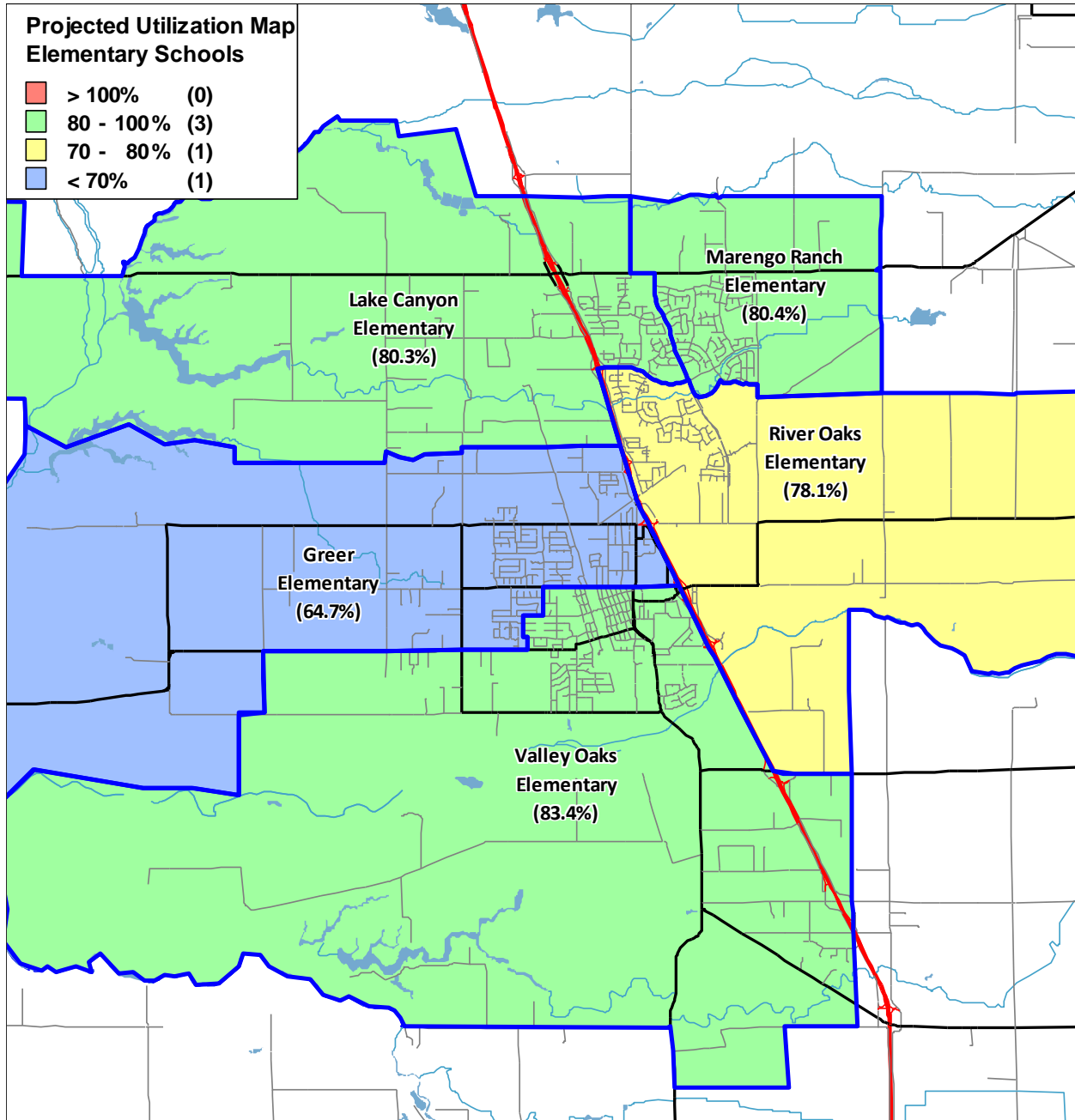
The following chart shows the current and projected utilization rates for each school. It has been color coded with blue representing schools with a utilization rate of under 70%, yellow representing a utilization rate of at least 70% but under 80% and red for the schools that have over 100% utilization.

School Facility Utilization			2018/19	2024/25	2018/19	2024/25
		Net CR	Current	Projected	Current	Projected
<u>Elementary Schools</u>	<u>Classrooms</u>	<u>Capacity</u>	<u>Enrollment</u>	<u>Enrollment</u>	<u>Utilization</u>	<u>Utilization</u>
Lake Canyon Elem	23	600	554	482	92.3%	80.3%
Marengo Ranch Elem	34	800	532	643	66.5%	80.4%
River Oaks Elem	29	750	560	586	74.7%	78.1%
Valley Oaks Elem	35	820	583	684	71.1%	83.4%
Greer Elem	28	730	472	472	64.7%	64.7%
Sub-Totals	172	3,700	2,701	2,867	73.0%	77.5%
<u>Middle Schools</u>						
McCaffrey Middle	40	1,280	894	872	69.8%	68.1%
Sub-Totals	40	1,280	894	872	69.8%	68.1%
District Totals	212	4,980	3,595	3,739	72.2%	75.1%

For 2018, the school with the highest percentage of available space is Greer Elementary and the school that is impacted the most is Lake Canyon Elementary.

Galt Joint Union Elementary School District Demographic Study 2018/19

The color-coded map below shows the projected utilization for the elementary schools.

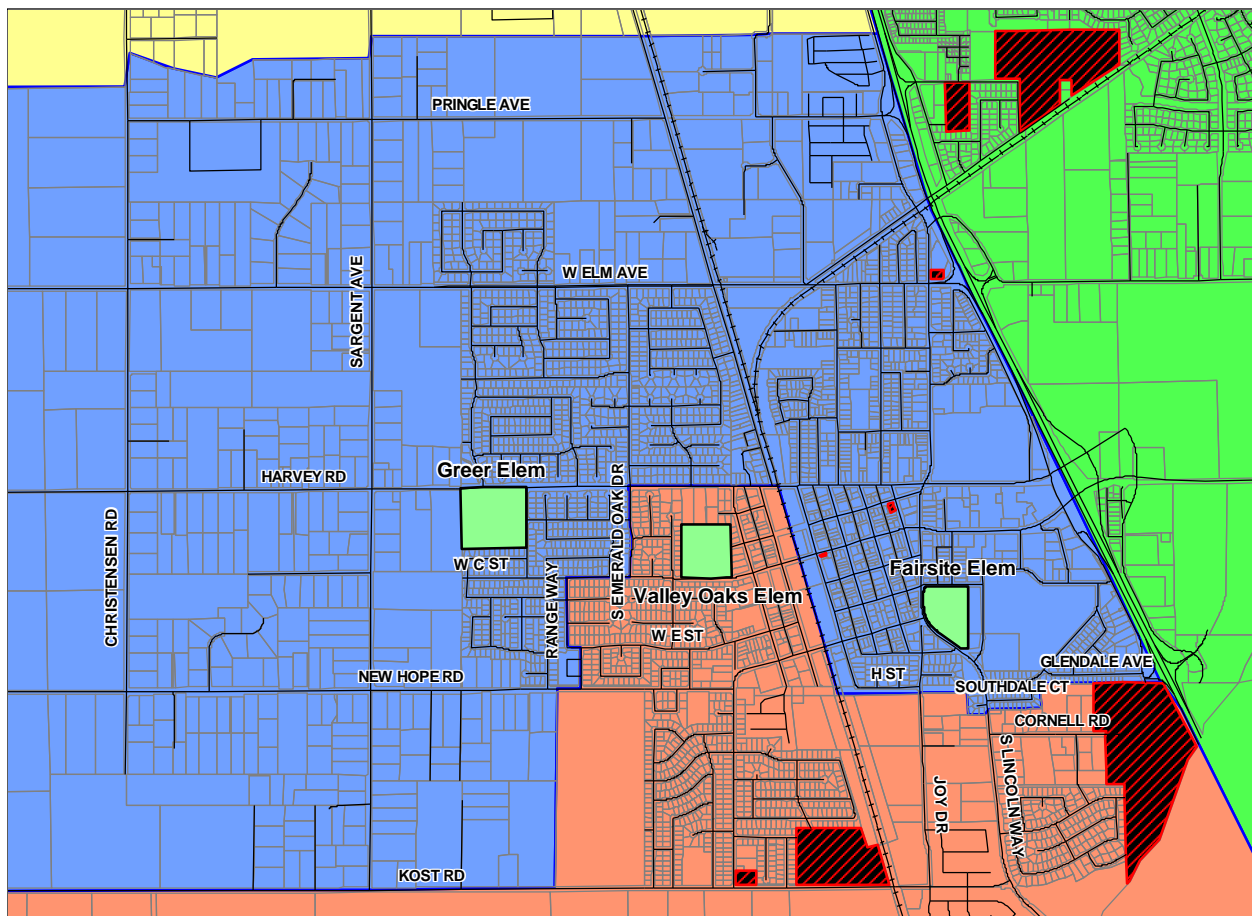


Alternate Boundary Option

This report was based on a boundary plan that was presented to the school board last year and was partially implanted for the 2018/19 school year to relieve the projected overcrowding at Lake Canyon. After reviewing the results of the six year projections in this report for each school as the new boundaries go into effect, there is no longer any overcrowding anticipated. However, Greer Elementary has the lowest projected utilization rate and Valley Oaks Elementary has the highest projected utilization rate.

This section of the report shows an alternate boundary for Greer and Valley Oaks that creates better balance for the enrollment and demographics for these two schools.

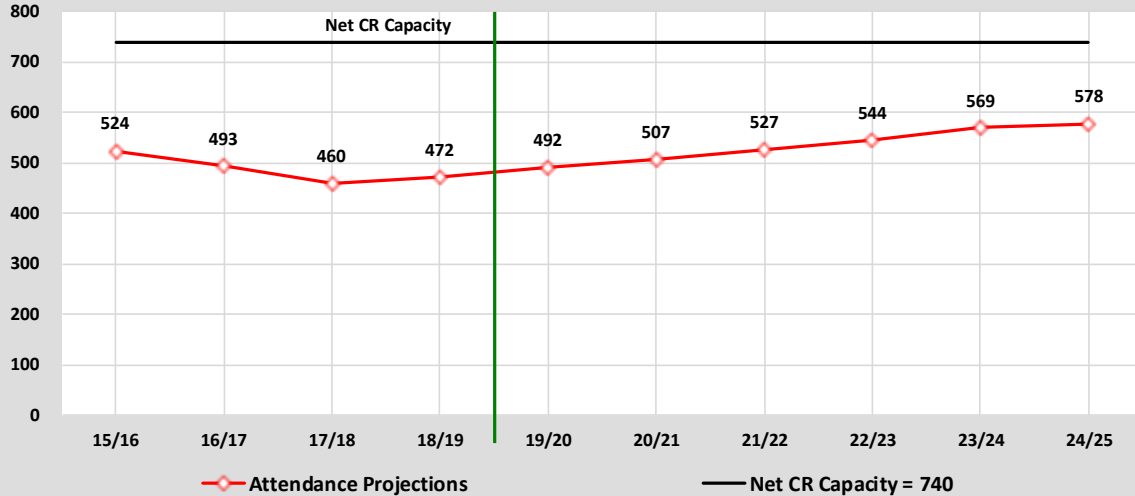
Greer and Valley Oaks Boundary Map



This map creates a larger boundary for Greer to reduce the enrollment at Valley Oaks but leaves the projected new developments within the Valley Oaks boundary. The two changes made to the Greer boundary include the neighborhood around the Fair site campus and the area between New Hope Rd and Kost Rd.

Galt Joint Union Elementary School District
Demographic Study
2018/19

Boundary Change Projection Impacts
Greer Elem



Boundary change starts in 19/20
 Grandfathering allowed until students finish school
 All Portables Loaded
 Net Classroom Count = 28
 Grades Served = K - 6

Classroom Needs Timeline

Year	Total Students*	Annual Change	Spec. Ed. Students	Net CR Capacity	Unhoused Students	Annual CR Needed	Total CR's Needed	Available Seats	Projected Housing Units
18/19	472	12	0	740	0	0	-9	268	
19/20	492	20	0	740	0	0	-3	248	14
20/21	507	15	0	740	0	0	-2	233	9
21/22	527	20	0	740	0	0	-3	213	0
22/23	544	17	0	740	0	0	-3	196	0
23/24	569	25	0	740	0	0	-3	171	0
24/25	578	9	0	740	0	0	-4	162	0

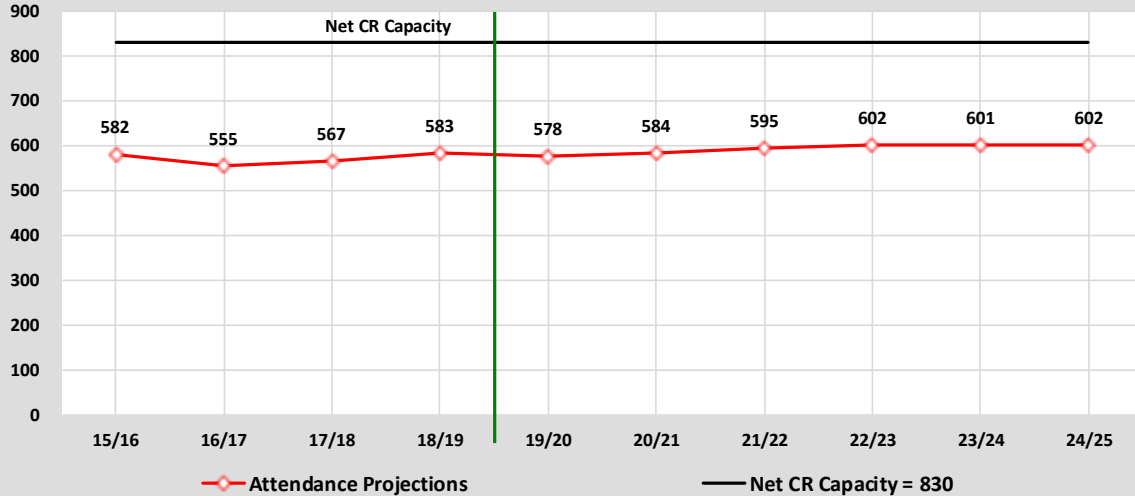
* Based on Students Attending (Squares on Graph)
 Net Classroom Count = 28

Greer Elem

YEAR:	Students in boundary				Historic Cohorts			Weighted Average	Attendance Factors		Current Enrollment	19/20 Projection	Net Change
	15/16	16/17	17/18	18/19	15 to 16	16 to 17	17 to 18		Intra	Inter			
Grade													
T K	20	22	27	21							10	12	2
K	116	107	137	110	-9	30	-27	0	-18.2%	1.8%	68	101	33
1	124	119	108	137	3	1	0	1	-32.1%	2.9%	70	52	-18
2	104	119	126	117	-5	7	9	6	-33.3%	0.9%	58	70	12
3	133	112	119	125	8	0	-1	1	-29.6%	3.2%	67	70	3
4	121	133	110	114	0	-2	-5	-3	-30.7%	0.9%	64	51	-13
5	139	126	125	127	5	-8	17	7	-34.6%	3.1%	67	67	0
6	129	141	122	122	2	-4	-3	-3	-26.2%	3.3%	68	69	1
Totals	886	879	874	873	0.6	3.4	-1.4	1.3	-29.3%	2.3%	472	492	20

Galt Joint Union Elementary School District
Demographic Study
2018/19

Boundary Change Projection Impacts
Valley Oaks Elem



Boundary change starts in 19/20
 Grandfathering allowed until students finish school
 All Portables Loaded
 Net Classroom Count = 35
 Grades Served = K - 6

Classroom Needs Timeline

Year	Total Students*	Annual Change	Spec. Ed. Students	Net CR Capacity	Unhoused Students	Annual CR Needed	Total CR's Needed	Available Seats	Projected Housing Units
18/19	583	16	0	830	0	0	-10	247	
19/20	578	-5	0	830	0	0	-12	252	0
20/21	584	6	0	830	0	0	-12	246	0
21/22	595	11	0	830	0	0	-11	235	25
22/23	602	7	0	830	0	0	-11	228	25
23/24	601	-1	0	830	0	0	-11	229	25
24/25	602	1	0	830	0	0	-11	228	25

* Based on Students Attending (Squares on Graph)
 Net Classroom Count = 35

Valley Oaks Elem

YEAR:	Students in boundary				Historic Cohorts			Weighted Average	Attendance Factors		Current Enrollment	19/20 Projection	Net Change
	15/16	16/17	17/18	18/19	15 to 16	16 to 17	17 to 18		Intra	Inter			
Grade													
T K	16	12	9	12							13	11	-2
K	60	62	62	77	2	0	15	0	-13.0%	0.0%	73	57	-16
1	61	54	67	66	-6	5	4	3	18.2%	1.5%	87	100	13
2	67	64	59	68	3	5	1	3	5.9%	4.4%	82	84	2
3	77	64	66	67	-3	2	8	4	-11.9%	3.0%	66	68	2
4	75	78	63	67	1	-1	1	0	4.5%	6.0%	81	86	5
5	69	73	75	65	-2	-3	2	0	15.4%	1.5%	85	81	-4
6	81	72	76	76	3	3	1	2	11.8%	0.0%	96	91	-5
Totals	506	479	477	498	-0.3	1.6	4.6	1.7	4.4%	2.3%	583	578	-5

Galt Joint Union Elementary School District

Demographic Study

2018/19

Galt Joint Union Elementary School District

Enrollment Projections

YEAR 19/20, 1 Year Proj.

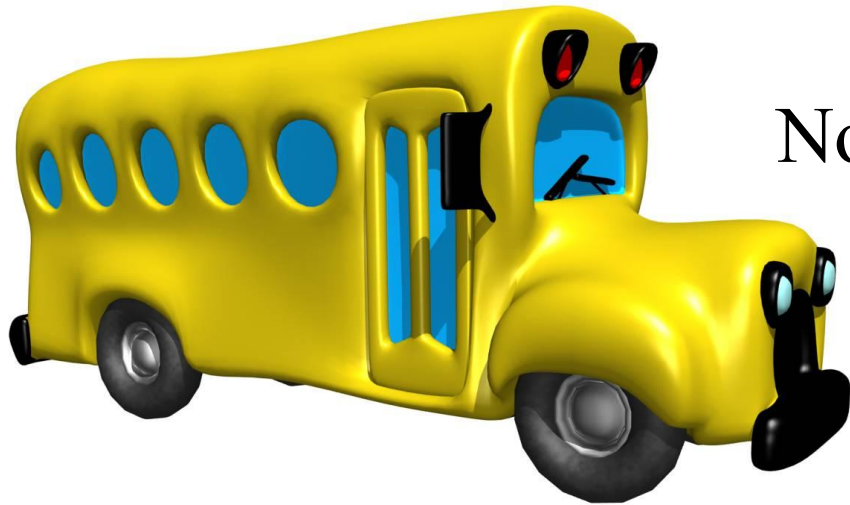
School	T K	K	1	2	3	4	5	6	7	8	TOTAL
Lake Canyon Elem	19	63	55	89	75	87	70	77	0	0	535
Marengo Ranch Elem	8	80	85	70	72	86	62	78	0	0	541
River Oaks Elem	21	61	86	82	79	84	79	66	0	0	558
Valley Oaks Elem	11	57	100	84	68	86	81	91	0	0	578
Greer Elem	12	101	52	70	70	51	67	69	0	0	492
McCaffrey Middle	0	0	0	0	0	0	0	0	410	448	858
Totals	71	362	378	395	364	394	359	381	410	448	3,562
Current CBEDS	72	366	387	357	392	351	370	406	423	471	3,595
Net Change	-1	-4	-9	38	-28	43	-11	-25	-13	-23	-33
Cohort Change			12	8	7	2	8	11	4	25	

School Facility Utilization

	Classrooms	Net CR Capacity	2018/19	2024/25	2018/19	2024/25
			Current Enrollment	Projected Enrollment	Current Utilization	Projected Utilization
<u>Elementary Schools</u>						
Lake Canyon Elem	23	600	554	482	92.3%	80.3%
Marengo Ranch Elem	34	800	532	643	66.5%	80.4%
River Oaks Elem	29	750	560	586	74.7%	78.1%
Valley Oaks Elem	35	830	583	602	70.2%	72.5%
Greer Elem	28	740	472	578	63.8%	78.1%
Sub-Totals	172	3,720	2,701	2,891	72.6%	77.7%
<u>Middle Schools</u>						
McCaffrey Middle	40	1,280	894	872	69.8%	68.1%
Sub-Totals	40	1,280	894	872	69.8%	68.1%
District Totals	212	5,000	3,595	3,763	71.9%	75.3%

The six year projection for Valley Oaks is 602 students and results in a utilization factor of 72.5%. The six year projection for Greer is up to 578 students and results in a utilization factor of 78.1%. These results achieve better balance and leave room for future growth and provides adequate space for school of choice options.

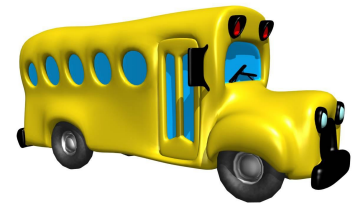
Transportation Program Evaluation



November & December 2018

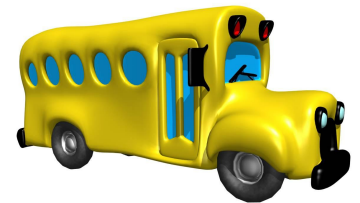
Overview of Transportation Program

- Shared Transportation Department with Galt High School District
- Galt Elementary School District is the lead agency
- Provides facility, training, dispatch, operations, fleet, and general management
- 31 buses, 33 white fleet



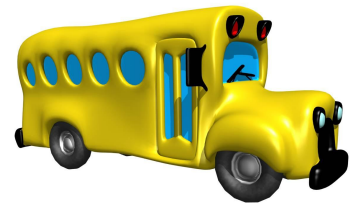
M.O.T. Facility

- Leased temporary office space
- Fleet Maintenance Shop
- Bus parking & wash facility
- Galt Elementary District Maintenance and Operations Corporation Yard



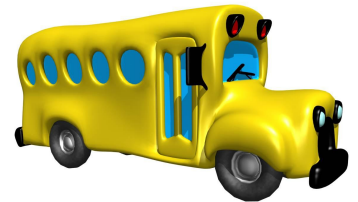
Transportation Program

- Bus Driver Safety & Training Program
- Dispatch, route and trip scheduling operations
- Staff management & payroll services
- Parent and community contact



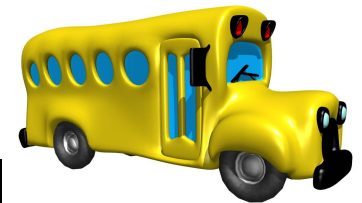
Fleet Management Program

- Scheduled preventative maintenance & safety inspections of all vehicles
- In-house repairs of most buses, trucks, maintenance and grounds equipment
- Regular California Highway Patrol inspections of buses and operations



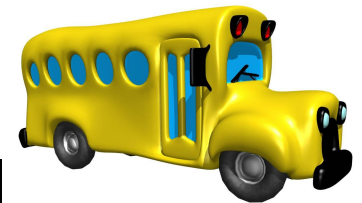
Route Data

- 6 Elementary routes
- 7 High School routes
- Approximately 665 students daily
- Approximately 850 field trips annually
- Approximately 432,000 miles annually



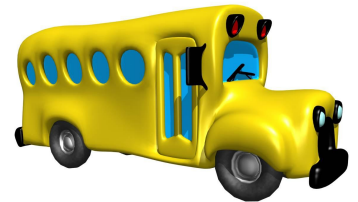
Historical Route Data

Year	GJUESD Miles	GHSD Miles	Total Miles	GJUESD Daily Riders	GHSD Daily Riders	Total Daily Riders
2012-13	109,846	175,660	285,506	568	271	839
2013-14	117,629	181,094	298,723	403	250	653
2014-15	115,258	182,388	297,646	257	335	592
2015-16	143,170	157,622	300,792	355	197	552
2016-17	117,109	194,625	311,734	208	202	410
2017-18	103,316	197,979	301,295	324	335	659



Fleet Data

- Average age of fleet = 14 years
- Max age of fleet = 29 years
- Average miles of fleet = 188,504
- Max miles of fleet = 378,619



Galt Elementary School District Budget Data

Revenues:

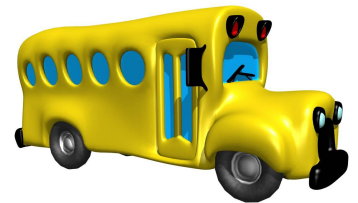
State = \$269,598

High School = \$139,989.55

Total = \$409,587.55

Expenditures:

\$777,776.26



Galt High School Budget Data

Revenues:

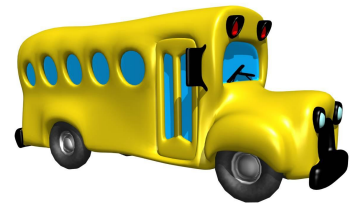
State = \$925,818

High School = \$44,575.85

Total = \$970,393.85

Expenditures:

\$977,818



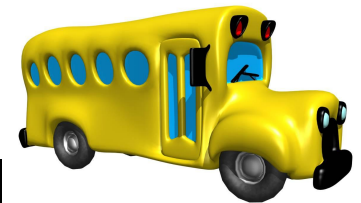
Priority	Vehicle #	Year Built	Age of Vehicle (2018)	Current Miles (11/2018)	Year to Replace	Age at Replacement	Reg. Ed./SpEd
1	E-6	1990	28	378,619	2016	26	Sp. Ed.
2	E-12	1995	23	270,531	2017	22	Sp. Ed.
3	E-11	1995	23	279,931	2018	23	Reg. Ed.
4	E-4	1995	23	278,730	2018	23	Reg. Ed.
5	E-1	1991	27	254,526	2019	28	Reg. Ed.
6	E-3	1997	21	287,069	2020	23	Reg. Ed.
7	E-14	2009	9	156,790	2024	15	Reg. Ed.
8	E-15	2009	9	142,602	2024	15	Reg. Ed.
9	E-16	2009	9	158,443	2024	15	Reg. Ed.
10	E-5	2010	8	118,723	2025	15	Reg. Ed.
11	E-10	2015	3	47,319	2030	15	Sp. Ed.
12	E-8	2016	2	31,911	2031	15	Sp. Ed.
13	E-17	2016	2	45,352	2031	15	Sp. Ed.

Fleet Replacement Plan

Goals:

1) Reduce max fleet age to 20 years by 2020

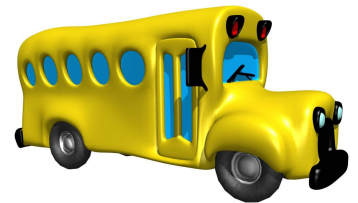
2) Maintain max fleet age at 15 years by 2025



Fleet Data

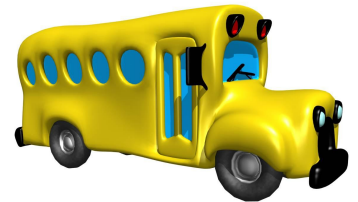
Grant updates

- Sparse
- Focused on electric technologies
- Directed to rural and remote air districts
- We are on a wait list



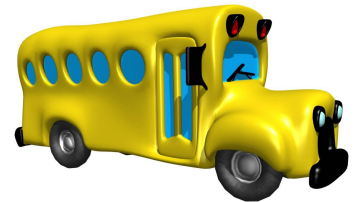
Transportation Challenges

- National driver shortage
- Non-competitive compensation
- Irregular State Funding formula
- Increased miles & emissions requirements increase fleet maintenance costs



Transportation Successes

- Dedicated staff
- Safety record
- Students served
- Field trip and athletics destinations
- Access to a brighter future
- “A Team That Can”



Field Trip Destinations

Chico

San Francisco

Monterey

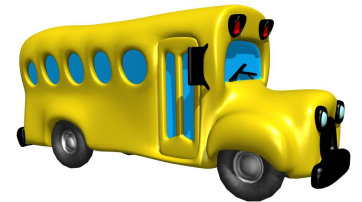
Fresno

Placerville

San Andreas

Yosemite

Sonoma



GJUESD MEASURE K FACILITIES IMPROVEMENT PRIORITIES: MULTI-YEAR ROLL-OUT								
TIMELINE ASSUMES STATE FUNDING FOR ALL MODERNIZATION PROJECTS RECEIVED 2020/21								
PROGRESS UPDATE NOVEMBER 2018								
Priority 1: Safety and Security; Priority 2: Modernization; Priority 3: Infrastructure; Priority 4: 21st Century Learning								
	VALLEY OAKS	GREER	MARENGO RANCH	RIVER OAKS	LAKE CANYON	MCCAFFREY	FAIRSITE	TOTAL
PLANNED FUNDING PER SCHOOL								
Measure K GO Bond	\$5,501,164	\$5,000,000	\$5,000,000	\$3,160,000	\$200,000	\$500,000	\$40,000	\$19,401,164
Proposition 39 Energy Funding	\$122,100	\$85,154	\$318,464	\$230,849	\$0	\$48,280		\$804,847
State School Facilities Program (SFP)/Prop 51								
*Modernization	\$2,841,216	\$2,062,322	TBD-Elig in 2022	\$2,509,572	\$0	\$0	\$0	\$7,413,110
*New Construction	TBD	TBD	\$0	TBD	\$0	\$0	\$0	\$0
*Facilities Hardship (State Funding)	\$0	\$0	TBD	\$0	\$0	\$0	\$0	TBD
TOTAL PLANNED FUNDING	\$8,464,480	\$7,147,476	\$5,318,464	\$5,900,421	\$200,000	\$548,280	\$40,000	\$27,619,121
COMPLETED PROJECTS 2017/18 and 18/19								
Priority 1 Projects: Safety and Security	Telephones	Telephones	Telephones	Telephones	Security System	Telephones	Telephones	
	Security Cameras	Security Cameras	Security Cameras	Security Cameras	Playground Equip.	Security Cameras	Security Cameras	
	Paving	Paving	Paving	Paving		Paving	Paving	
	Increment I Projects: Priority 2: Modernization	DSA Close-Out Work: Priority 3: Infrastructure		Playground Equip.		Priority 4: 21st Century Learning		
	HVAC/Roofing: Bldgs A,C,E	Firewall Repair		Security Fencing		BFLC Remodel		
	CDE Approved, Submitted to OPSC on 11/13/18	Lighting Infrastructure		Priority 3: Infrastructure		Projector Mounting		
				Site Water Pump Replacement				
INCREMENT I PROJECTS								
CURRENTLY ACTIVE PROJECTS	Security Fencing			Priority 1: Safety and Security				
UNDER CONSTRUCTION AS OF NOVEMBER 2018	Kitchen/MP Room			Fire Alarm System				
	Remodel: Including			Intrusion System				
Priority 1: Safety and Security	Kitchen Equipment			CDE and DSA Approved				
Priority 2: Modernization	Replacement/Upgrade							
Priority 3: Infrastructure	Fire Alarm System/Sprinklers							
	MPR Restroom Accessibility							
	Light Fixture and Controls							
	New Epoxy Flooring in Kitchen							
	CDE Approved, Submitted to OPSC on 11/13/18							
	January 2019			January 2019				

GJUESD MEASURE K FACILITIES IMPROVEMENT PRIORITIES: MULTI-YEAR ROLL-OUT								
TIMELINE ASSUMES STATE FUNDING FOR ALL MODERNIZATION PROJECTS RECEIVED 2020/21								
PROGRESS UPDATE NOVEMBER 2018								
Priority 1: Safety and Security; Priority 2: Modernization; Priority 3: Infrastructure; Priority 4: 21st Century Learning								
	VALLEY OAKS	GREER	MARENGO RANCH	RIVER OAKS	LAKE CANYON	MCCAFFREY	FAIRSITE	TOTAL
CURRENTLY ACTIVE PROJECTS IN DESIGN AS OF NOVEMBER 2018		Priority 4: 21st Century Learning Priority 2: Modernization Remodel Classrooms: 3,4,5,6,10	Priority 1: Safety and Security Veneer Replacement	Priority 2: Modernization Priority 3: Infrastructure				
INCREMENT I PROJECTS		Modernizing Restrooms - Building C Possible Removal of Portables CDE Approved, DSA Appt. 12/10/18	Replace Fire Alarm System Replace Intrusion Alarm System	Wood/Dryrot Repair Stucco/Masonry Repair Strip and paint roofs Repair Drains/Downspouts Roof coating at Port. CR's Replace HVAC System Replace BMS System				
Estimated Construction Start		Summer 2019	November 2018	Summer 2019				

GJUESD MEASURE K FACILITIES IMPROVEMENT PRIORITIES: MULTI-YEAR ROLL-OUT								
TIMELINE ASSUMES STATE FUNDING FOR ALL MODERNIZATION PROJECTS RECEIVED 2020/21								
PROGRESS UPDATE NOVEMBER 2018								
Priority 1: Safety and Security; Priority 2: Modernization; Priority 3: Infrastructure; Priority 4: 21st Century Learning								
	VALLEY OAKS	GREER	MARENGO RANCH	RIVER OAKS	LAKE CANYON	MCCAFFREY	FAIRSITE	TOTAL
INCREMENT 2 PROJECTS IN DESIGN								
	(Increment 2)	Priority 2: Modernization						
	Priority 4: 21st Century Learning	Priority 3: Infrastructure						
	New Classroom Buildings	(Increment 2)						
	New Student and Staff Restrooms	Roof Replacement and Repair						
	Remove Portables	and HVAC Upgrades:						
		At Bldgs. A, B, C, and D						
		Admin, Library, Classroom,						
		Multi-Purpose Room						
		New Energy Management System						
		Exterior Painting of Permanent Buildings						
Estimated Construction Start	2020/21	2020/21						
INCREMENT 3 AND 4 PROJECTS								
FUTURE: UNKNOWN FUNDING								
	(Increment 3)	(Increment 3)						
	Priority 1: Safety and Security	Priority 2: Modernization						
	Upgrade Fire Alarm System	Roof Replacement and Repair						
	Priority 2: Modernization	at Portable Classrooms						
	New Energy Management System	Roofing/Fascia/Eave						
	Streetscape Improvements	Exterior Painting of Port. CR's						
	Remodel Bldg. D Library into	Upgrade Fire Alarm System						
	New Administration							
	Upgrades to Port. Classrooms:							
	Roofing/Fascia/Eave/Painting							
	(Increment 4)	(Increment 4)						
	Priority 4: 21st Century Learning	Priority 4: 21st Century Learning						
	Remodel 3rd Gr. Classrooms into BFLC	New Classroom Buildings						
		New Student and Staff Bathrooms						
	Priority 2: Modernization	Possible Removal of Portables						
	Priority 3: Infrastructure							
	Other: Sewer Replacement							
Estimated Construction Start	Unknown: Beyond Measure K and State Funding	Unknown: Beyond Measure K and State Funding						



OTHER REPORTS

1. School Choice (Intra-district)

Presenter: Donna Mayo-Whitlock, Educational Services Director

School Choice procedures have been modified as reported from the last board meeting and include:

- 1) February school choice window
- 2) Application decisions conducted in May
- 3) Overflow students are called back prior to new student registrations and school choice requests
- 4) No reapplication process except due to excessive enrollment per board policy
- 5) Inter-district requests will follow school choice
- 6) School Choice priority given to children of staff for workplace school placement (intra-district and inter-district)

Attached: School Choice (intra-district) Policy

Galt Joint Union ESD

Board Policy

Intradistrict Open Enrollment

BP 5116.1

Students

The Governing Board desires to provide enrollment options that meet the diverse needs and interests of district students and parents/guardians, while also balancing enrollment in order to maximize the efficient use of district facilities. The Superintendent or designee shall establish procedures for the selection and transfer of students among district schools in accordance with law, Board policy, and administrative regulation.

(cf. 5117 - Interdistrict Attendance)

The parents/guardians of any student who resides within district boundaries may apply to enroll their child in any district school, regardless of the location of residence within the district. (Education Code 35160.5)

(cf. 5111.1 - District Residency)

(cf. 5111.12 - Residency Based on Parent/Guardian Employment)

(cf. 5111.13 - Residency for Homeless Children)

The Board shall annually review this policy. (Education Code 35160.5, 48980)

Enrollment Priorities

No student currently residing within a school's attendance area shall be displaced by another student transferring from outside the attendance area. (Education Code 35160.5)

(cf. 5116 - School Attendance Boundaries)

The Superintendent or designee shall grant priority to any district student to attend another district school, including a charter school, outside of his/her attendance area as follows:

1. Any student enrolled in a district school that has been identified on the state's Open Enrollment List. (Education Code 48354)

(cf. 5118 - Open Enrollment Act Transfers)

2. Any student enrolled in a district school receiving Title I funds that has been identified for program improvement (PI), corrective action, or restructuring. (20 USC 6316)

(cf. 0420.4 - Charter Schools)

(cf. 0520.2 - Title I Program Improvement Schools)
(cf. 6171 - Title I Programs)

3. Any student enrolled in a district school designated by the California Department of Education as "persistently dangerous." (20 USC 7912; 5 CCR 11992)

(cf. 0450 - Comprehensive Safety Plan)

4. Any student who is a victim of a violent crime while on school grounds. (20 USC 7912)

5. Any sibling of a student already in attendance in that school.

Application and Selection Process

In order to ensure that priorities for enrollment in district schools are implemented in accordance with law, applications for intradistrict open enrollment shall be submitted between February 1st and February 28th of the school year preceding the school year for which the transfer is requested.

The Superintendent or designee shall calculate each school's capacity in a nonarbitrary manner using student enrollment and available space. (Education Code 35160.5)

Except for priorities listed above, the Superintendent or designee shall use a random, unbiased selection process to determine who shall be admitted whenever the school receives admission requests that are in excess of the school's capacity. (Education Code 35160.5)

Enrollment decisions shall not be based on a student's academic or athletic performance, except that existing entrance criteria for specialized schools or programs may be used provided that the criteria are uniformly applied to all applicants. Academic performance may be used to determine eligibility for, or placement in, programs for gifted and talented students. (Education Code 35160.5)

(cf. 6172 - Gifted and Talented Student Program)

Transportation

Except as required by 20 USC 6316 for transfers out of Title I PI schools, the district shall not be obligated to provide transportation for students who attend school outside their attendance area.

(cf. 3250 - Transportation Fees)
(cf. 3540 - Transportation)

Legal Reference:
EDUCATION CODE

200 Prohibition against discrimination
35160.5 District policies; rules and regulations
35291 Rules
35351 Assignment of students to particular schools
46600-46611 Interdistrict attendance agreements
48200 Compulsory attendance
48204 Residency requirements for school attendance
48300-48316 Student attendance alternatives, school district of choice program
48350-48361 Open Enrollment Act
48980 Notice at beginning of term
CODE OF REGULATIONS, TITLE 5
11992-11994 Definition of persistently dangerous schools
UNITED STATES CODE, TITLE 20
6316 Transfers from program improvement schools
7912 Transfers from persistently dangerous schools
CODE OF FEDERAL REGULATIONS, TITLE 34
200.36 Dissemination of information
200.37 Notice of program improvement status, option to transfer
200.39 Program improvement, transfer option
200.42 Corrective action, transfer option
200.43 Restructuring, transfer option
200.44 Public school choice, program improvement schools
200.48 Transportation funding for public school choice
COURT DECISIONS
Crawford v. Huntington Beach Union High School District, (2002) 98 Cal.App.4th 1275
ATTORNEY GENERAL OPINIONS
85 Ops.Cal.Atty.Gen. 95 (2002)

Management Resources:

U.S. DEPARTMENT OF EDUCATION NONREGULATORY GUIDANCE
Public School Choice, January 2009
Unsafe School Choice Option, May 2004

WEB SITES

CSBA: <http://www.csba.org>

California Department of Education, Unsafe School Choice Option:
<http://www.cde.ca.gov/ls/ss/se/usco.asp>

U.S. Department of Education, No Child Left Behind: <http://www.nclb.gov>

Policy GALT JOINT UNION SCHOOL DISTRICT
adopted: July 27, 2011 Galt, California

Galt Joint Union ESD

Administrative Regulation

Intradistrict Open Enrollment

AR 5116.1
Students

Transfers for Victims of a Violent Criminal Offense

Within a reasonable amount of time, not to exceed 14 days, after it has been determined that a student has been the victim of a violent criminal offense while on school grounds, the student's parents/guardians shall be offered an option to transfer their child to an eligible school identified by the Superintendent or designee. In making the determination that a student has been a victim of a violent criminal offense, the Superintendent or designee shall consider the specific circumstances of the incident and consult with local law enforcement as appropriate. Examples of violent criminal offenses include, but are not limited to, attempted murder, battery with serious bodily injury, assault with a deadly weapon, rape, sexual battery, robbery, extortion, or hate crimes.

The Superintendent or designee shall consider the needs and preferences of the affected student and his/her parent/guardian in making the offer. If the parent/guardian elects to transfer his/her child, the transfer shall be completed as soon as practicable.

Transfers from a "Persistently Dangerous" School

Upon receipt of notification from the California Department of Education (CDE) that a district school has been designated as "persistently dangerous," the Superintendent or designee shall provide parents/guardians of students attending the school with the following notifications:

1. Within 10 days of receipt of the notification from CDE, notice of the school's designation
2. Within 20 days of receipt of the notification from CDE, notice of the option to transfer their child

(cf. 0450 - Comprehensive Safety Plan)

Parents/guardians who desire to transfer their child out of a "persistently dangerous" school shall provide a written request to the Superintendent or designee and shall rank-order their preferences from among all schools identified by the Superintendent or designee as eligible to receive transfer students. The Superintendent or designee may establish a reasonable timeline, not to exceed seven school days, for the submission of parent/guardian requests.

The Superintendent or designee shall consider the needs and preferences of students and parents/guardians before making an assignment, but is not obligated to accept the

parent/guardian's preference if the assignment is not feasible due to space constraints or other considerations. For students whose parents/guardians accept the offer, the transfer shall generally be made within 30 school days of receiving the notice of the school's designation from the CDE. If parents/guardians decline the assigned school, the student may remain in his/her current school.

The transfer shall remain in effect as long as the student's school of origin is identified as "persistently dangerous." The Superintendent or designee may choose to make the transfer permanent based on the educational needs of the student, parent/guardian preferences, and other factors affecting the student's ability to succeed if returned to the school of origin.

The Superintendent or designee shall cooperate with neighboring districts to develop an interdistrict transfer program in the event that space is not available in a district school.

(cf. 5117 - Interdistrict Agreements)

Other Intradistrict Open Enrollment

Except for transfers for victims of a violent crime and from a "persistently dangerous school," the following procedures shall apply to intradistrict open enrollment:

1. The Superintendent or designee shall identify those schools which may have space available for additional students. A list of those schools and open enrollment applications shall be available at each school site, the district office, and on the district's web site.
2. After the enrollment priorities have been applied in accordance with Board policy, if there are more requests for a particular school than there are spaces available, a random drawing shall be held from the applicant pool. A waiting list shall be established to indicate the order in which applicants may be accepted if openings occur during the year. Late applicants shall not be added to the waiting list for the current year but shall instead wait for a subsequent lottery.
3. The Superintendent or designee shall provide written notification to applicants as to whether their applications have been approved, denied, or placed on a waiting list. If the application is denied, the reasons for denial shall be stated.
4. Approved applicants must confirm their enrollment within 10 school days.

Once enrolled, a student shall not be required to reapply for readmission. However, the student may be subject to displacement due to excessive enrollment.

Any complaints regarding the open enrollment process shall be submitted in accordance with the applicable complaint procedure.

(cf. 1312.3 - Uniform Complaint Procedures)

Notifications

Notifications shall be sent to parents/guardians at the beginning of each school year describing all current statutory attendance options and local attendance options available in the district.

Such notification shall include: (Education Code 35160.5, 48980)

1. All options for meeting residency requirements for school attendance
(cf. 5111.1 - District Residency)
(cf. 5111.12 - Residency Based on Parent/Guardian Employment)
(cf. 5111.13 - Residency for Homeless Children)
(cf. 5118 - Open Enrollment Act Transfers)
2. Program options offered within local attendance areas
3. A description of any special program options available on both an interdistrict and intradistrict basis
4. A description of the procedure for application for alternative attendance areas or programs and the appeals process available, if any, when a change of attendance is denied
5. A district application form for requesting a change of attendance
6. The explanation of attendance options under California law as provided by the CDE
(cf. 5145.6 - Parental Notifications)

Regulation GALT JOINT UNION SCHOOL DISTRICT
approved: July 27, 2011 Galt, California



Board Meeting Agenda Item Information

Meeting Date: November 28, 2018	Agenda Item: 171.949 Board Consideration of Approval of Consent Calendar
Presenter: Karen Schauer	Action Item: XX Information Item:
<ul style="list-style-type: none"> a. Approval of the Agenda b. Minutes: October 24, 2018 Regular Board Meeting c. Payment of Warrants: <u>Vendor Warrant Numbers:</u> 19431616-19431685, 19433208-19433271, 19434794-19434841, 19436322-19436391 <u>Certificated/Classified Payrolls Dated:</u> 10/31/18 and 11/09/18 d. Personnel <ul style="list-style-type: none"> 1. Resignations/Retirement 2. Leave of Absence Requests 3. New Hires e. Donations 	

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, October 24, 2018
Galt City Hall Chamber
380 Civic Drive, Galt, CA 95632

Board Members Present

John Gordon
Grace Malson
Matthew Felix
Wesley Cagle

Karen Schauer
Lois Yount
Kuljeet Nijjar
Donna Gill
Judith Hayes

Administrators Present

Claudia Del Tor-Anguiano
Donna Mayo-Whitlock
Stephanie Simonich
Laura Marquez
Gerardo Martinez

MINUTES

- A.** Present for closed session: Karen Schauer, Claudia Del Toro-Anguiano, Lois Yount, Donna Mayo-Whitlock, John Gordon, Grace Malson, Matthew Felix, Wesley Cagle
- B.** Closed Session was called to order at 6:00 pm to discuss the following items:
1. CONFERENCE WITH LABOR NEGOTIATOR, Government Code §54957.6
Agency Negotiator: Karen Schauer, Lois Yount, Donna Mayo-Whitlock, Claudia Del Toro-Anguiano
 - Employee Agency: (GEFA) Galt Elementary Faculty Association
 - Employee Agency: (CSEA) California School Employee Association
 - Unrepresented Employees
 2. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE, Government Code §54957
- C. Closed Session Adjourned** at 7:03 pm. The open meeting was called to order at 7:06 pm by John Gordon followed by the flag salute. He announced no action taken in closed session.
- D. Communication**
1. Karen Schauer shared a communication from Sacramento County Office of Education (SCOE): 2018-2019 Local Control Accountability Plan (LCAP) and Adopted Budget. She indicated SCOE approved the LCAP and recognized efforts to continuously improve. Dr. Schauer clarified that classified salary negotiations was settled for 2018-2019 in June 2018 and not reflected in the SCOE letter.
- E. Public Comments**
No public comment.

F. Reports

LCAP GOAL 1

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

LCAP GOAL 2

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

1. Jennifer Collier reported on the 4th annual Lights On After School program. She indicated the event showcases after school programs in the district and would feature a talent showcase, dinner for kids 18 and under, community information booths and games.

LCAP GOAL 3

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

1. Claudia Del Toro-Anguiano reported on Spring 2018 Smarter Balanced Assessment Consortium (SBAC). She emphasized the goal is to use data for continuous improvement, moving away from using data exclusively as an accountability metric.

Ms. Del Toro-Anguiano stated that SBAC information will be brought back to the board to report its relation to the CA Dashboard.

Wesley Cagle asked if all students took the same test and if they all took them at the same time of day.

Ms. Del Toro-Anguiano indicating that all schools should be giving the test at optimum learning times and that testing times will be reviewed.

John Gordon stated that when considering the investment the district has made in math and the demographics of students scoring far below on SBAC, what other programs is the district using for math and how does the district know if it is helping students to succeed. He would like to know how the district can better support teachers and students in this area and how the LCAP is responding. He feels there is something more we should be doing for students that are scoring far below on the SBAC.

Additionally, Mr. Gordon stated that he does not see progress on closing the achievement gap which makes him question the use of Supplemental & Concentration funds.

Karen Schauer emphasized that the SBAC is about achievement and not individual growth, at this time.

Donna Mayo-Whitlock stated that of the 900 English Learners (ELs), the largest numbers are in Kinder-3rd grade and then they are reclassified (RFEP). This impacts results unlike other student groups.

Claudia Del Toro-Anguiano stated that the reclassification process leaves the EL subgroup scoring far below on SBAC. When the state shares information on the Dashboard they will include EL and RFEP as one group. She highlighted that by

examining the percentage change, student groups consisting of RFEP, whites and females showed more gains.

John Gordon asked if the district is showing any trends where students understand certain content areas.

Ms. Del Toro-Anguiano indicated that the district can look at school and grade level information for trends.

Wesley Cagle asked why we saw such large increase proficiency on the ELPAC from 3rd grade to 4th.

Ms. Del Toro-Anguiano responded the district adopted new ELA materials. She predicts the district will continue to see gains.

Karen Schauer stated that there are measures the district examines beyond SBAC that allows the district to look at individual growth to be better accountable to every child. She emphasized it is important to also look at individual learning growth.

John Gordon stated that at this point we should know how effective our investment in personalized learning is. He asked how the district can evaluate its' work and determine what is specifically needed. He would be interested in hearing from school site leaders so information can be shared with state leaders.

Karen Schauer stated that the district has to do everything it can to give every student what they need to succeed. The district is just scratching the surface in meeting the individual needs of students. She indicated that the district continues to grow in sophistication to make good decisions about resources and use of time.

John Gordon stated that the district needs to be sensitive to teachers workload.

Administrators shared their efforts to build upon success' occurring at their schools.

Judith Hayes, Lake Canyon, reported about Gooru and the amount of time this software will save teachers. In regards to Lake Canyon elementary academic growth, they have emphasized strong grade span collaboration to share best practices. They review formative assessments for each and every learner and regularly consider what is working and what is not working. Ms. Hayes indicated she understands social emotional well-being has a huge effect on academics. The school values strong partnerships to further support or expand learning and enrichment efforts.

Gerardo Martinez, McCaffrey Middle School, reported the school's focus on writing with a goal that all students will produce writing across content areas. This work is being done in all core subject areas. Additionally, teachers are grading papers together and creating rubrics. Mr. Martinez indicated that creating block schedules during testing has been helpful.

Donna Gill, River Oaks, reported on the success of the 6th grade team. The team is an active part of the NGSS Implementation and has 2 core leads. This team has students write, speak and listen through the lens of science and social studies. These areas are highly interesting to students so they are much more engaged. One of the initiatives

this year at River Oaks is for teachers to begin making content connections with NGSS, applying skills through children's literature.

Kuljeet Nijjar, Marengo Ranch, reported growth in ELA across all grade levels. She indicated that the implementation of Benchmark and dedicated professional learning for benchmark gave teachers the skills necessary to implement the curriculum with fidelity. Additionally, teachers visited model teachers throughout the district. She stated that Marengo Ranch also saw a 10% increase for English Language Learners (ELLs) and will be targeting ELD strategies in math. Ms. Nijjar stated that she and Ms. Porter attended professional development sessions so they could better support teachers and are in the classrooms regularly so they can have ongoing conversations with teachers. They found that teachers who performed better had incorporated small group learning. This year Marengo Ranch will continue to focus on Benchmark with NGSS implementation, Math and writing. Additionally, they are looking at on-line resources that successful teachers are using.

Stephanie Simonich, Greer, highlighted the need for a coherent system with a strong focus on ELA and ELD. She indicated that one thing that changes learning is what instructional strategies teachers are using. The shift takes a growth mindset. Ms. Simonich stated that professional development opportunities help with instructional strategies. The greatest impact to learning at Greer is lesson studies through NGSS with small group instruction and goal setting. Additionally, Greer has implemented caring classroom communities in every classroom.

Laura Marquez, Valley Oaks, highlighted improvements in most grade levels. She indicated that Valley Oaks has maintained small group reading instruction and invested in Systematic Instruction in Phoneme Awareness, Phonics, and Sight Words) SIPP) to monitor student groups and move students forward accordingly. Additionally, instructional assistants are strategically placed. Valley Oaks will continue to focus on small group reading instruction.

LCAP GOAL 4

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

1. Lois Yount reported on Measure K Facilities Improvement Priorities: Multi-Year Roll Out. She indicated the timeline assumes state funding for all modernization projects received 2020/21. The district is anticipating proposition 51 funds in 2021 or 2022. Additionally, the district does not have a dollar amount for hardship funds and Marengo Ranch at this time.

Lois Yount shared a cash flow analysis modernization projects spreadsheet through October 12, 2018. She indicated a large amount of bond money will be spent in 2018-19 for projects that are currently underway.

2. Lori Raineri and Matt Kolker, California's Government Financial Strategies, reported on Implementing Measure K: Issuing Series 2018 Bonds.

Mr. Kolker and Lori Raineri shared the history of Measure K financing, bond sale details including plan adjustment allowing for the potential of achieving the full issuance of 19.7 million in bonds and next steps.

3. Karen Schauer reported on Facilities Capacity and Equity: Stakeholder Feedback and

Next Steps. She indicated a parent and staff survey was administered and additional feedback was gathered from district committees pertaining to 1) Cradle to Career Learning 2) prioritizing neighborhood elementary school and 3) meeting staffing timelines based upon school enrollment projections. Key Learnings include:

1. Continue with current grade spans rather than alternatives.
2. Sustain Fairsite as a school readiness center.
3. Sixth grade students stay at the elementary schools.
4. There is interest in having one or more schools with a specific focus.

Dr. Schauer stated that stakeholders seemed to value students being at the same school in preschool and middle school before transitioning to different schools across the community.

Dr. Schauer shared next steps: 1.) modification of the school choice policy (intra-district), 2.) modification of existing boundaries, 3.) additional facilities planning and state funding applications will be finalized, 4.) school focus considerations will be further researched.

Donna Whitlock stated that school choice feedback centered upon taking into consideration where parents work, childcare considerations and keeping siblings together. She indicated that overflowed students would be considered prior to approving any school choice requests.

Lois Yount stated that Schoolworks is researching boundary options, specifically boundary option 4 (Schoolworks Boundary Alternatives Report, February 2018) in an effort to balance enrollment. Schoolworks will present options at the November regular board meeting.

John Gordon indicated his concern in communicating changes to affected parents. He has reservations about taking action in November.

Other Reports

1. Karen Schauer reported no complaints during the Williams Uniform Complaint Process (UCP) Quarter 1.

G. Routine Matters/New Business

171.938 A motion was made by Grace Malson to approve the Consent Calendar, seconded by Matthew Felix and unanimously carried. **Consent Calendar**

- a. Approval of the Agenda
- b. Minutes: September 26, 2018 Regular Board Meeting
- c. Payment of Warrants:
Vendor Warrant Numbers: 19425798-19425892, 19427411-19427500, 19428742-19428813, 19430199-19430246
Certificated/Classified Payrolls Dated: 9/28/18 and 10/10/18
- d. Personnel
 1. Resignations/Retirement
 2. Leave of Absence Requests

3. New Hires

- e. Donations
- f. Non Public School Contract: Sierra School at Eastern Lower
- g. Out of State Conference Attendance: John Gordon, National School Boards Association (NSBA) Annual Education Conference, March 30-April 1, 2019
- h. Surplus Textbooks and Equipment

171.939	Consent Calendar (Continued) – Items Removed for Later Consideration	CC Items Removed
171.940	A Public Hearing of the School Facility Needs Analysis and Resolution No. 5 to Adopt an Alternative Level 2 Fee on New Residential Construction for the GJUESD was held. There was no public comment.	PUBLIC HEARING Res #5 Level 2 Res Fees
171.941	Blair Aas, Director of Planning Services, SCI Consulting Group, provided an overview of the School Facility Needs Analysis. He indicated the District is justified in imposing a district-wide Level 2 fee at the K-8 rate of \$3.13 per square foot for new residential development.	Res #5 Level 2 Res Fees

John Gordon asked what kinds of projects the funds can be used for.

Mr. Blair statute “new construction”. Additionally, in looking at development for the next 5 years, it shows that most of the development is going to be within the Community Facilities District (CFD) or Liberty Ranch and not subject to these fees. However, it is important to have this fee schedule updated and allow the District to charge the maximum allowed for level 1 fees.

BA- these fees are district-wide fees, however, projects that are within the JPA are not subject to these. Any development projects under a mitigation projects has a different set of fees for the Eastview project is not subject to these fees as you set up a whole different sent of fees for that. In looking at development for the next 5 years it really showed that most of the development is going to be within the CFD or Liberty Ranch. But it is important to have fee schedule updated at all times The level 2 is set by the needs analysis that is just charged on residential construction. This allows you to charge the maximum allowed for level 1 fees. WC- what is the determining factor to the fees.

A motion was made by Matthew Felix to approve School Facility Needs Analysis and Resolution No. 5 to Adopt an Alternative Level

2 Fee on New Residential Construction for the GJUESD, seconded by Wesley Cagle and unanimously carried.

- | | | |
|---------|--|---|
| 171.942 | A Public Hearing of Level 1 Fees Justification Report and Resolution No. 6 to Adopt Level 1 Developer Fee on New Construction was held. There was no public comment. | PUBLIC HEARING
Res #6
Level 1 Dev Fees |
| 171.943 | A motion was made by Grace Malson to approve Level 1 Fees Justification Report and Resolution No. 6 to Adopt Level 1 Developer Fee on New Construction, seconded by Matthew Felix and unanimously carried. | Res #6
Level 1 Dev Fees |
| 171.944 | A motion was made by Wesley Cagle to approve Lease-Leaseback Preconstruction Services Agreement with S&B James Construction for Marengo Ranch Elementary School, seconded by John Gordon and unanimously carried. | LLB Pre-Const
Agree S&B James
Const- MRE |
| 171.945 | A motion was made by Matthew Felix to approve Contract Agreement Between GJUESD and Kelley Inspections for Project Inspection Services at Marengo Ranch Elementary School, seconded by John Gordon and unanimously carried. | Kelley IOR-MRE |
| 171.946 | A motion was made by Grace Malson to approve Resolution #4; Resolution to Reduce or Eliminate Classified Staff Due to Lack of Work/Lack of Funds, seconded by Wesley Cagle and unanimously carried. | Res #4 RIF
Classified |
| 171.947 | A motion was made by Wesley Cagle to approve Carissa Cathey and Lorri St. Claire to the Citizens' Oversight Committee for Measure K, seconded by Matthew Felix and unanimously carried. | Citizen Oversight |
| 171.948 | Kevin Sellstrom addressed the board regarding the credentialing process for a Trainer/Dispatcher.

A motion was made by Grace Malson to approve Transportation Trainer/Dispatcher Job Description, seconded by Wesley Cagle and unanimously carried. | Job Desc
Trans
Trainer
Dispatcher |

Grace Malson invited everyone to the Dairy Bowl at Galt High School on Friday Oct. 26th. She indicated elementary students will be participating.

H. Pending Agenda Items

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

J. Adjournment 9:36 PM.

Matthew Felix, Clerk

Date



CONSENT CALENDAR

Human Resources

Recommend approval of the following:

Resignations/Retirements

Name	Position	Effective Date	Site
Cabrera, Magalhy	ASES Instructional Asst.	12/14/2018	McCaffrey
Cavan, Janette	Classified Substitute	11/5/2018	N/A
Diaz, Melissa	Bilingual Instructional Asst.	11/9/2018	Lake Canyon
Taylor, Megan	Teacher	6/30/2018	McCaffrey

Leave of Absence Requests

Name	Position	Effective Date	Site
Flores, Leslie	Special Education Instructional Asst.	9/17/18 – 2/9/19	Fairsite
Mastrogiovanni, Nova	Yard Supervisor	10/23/18 – 11/25/18	Lake Canyon
Medeiros, Janet	Teacher	4/23/19 – 6/6/19	River Oaks
Partridge, Tamera	Teacher	11/27/18 – 2/1/19	Marengo Ranch
Taylor, Megan	Teacher	4/1/19 – 6/1/19	McCaffrey
Valencia, Isabel	Health Asst.	1/7/19 – 1/31/19	Marengo Ranch
Vallejo, Crystal	ASES Coordinator	12/7/18 – 12/14/18	Valley Oaks

New Hires

Name	Position	Site
Baroni, Tammara	Bus Driver	Transportation
Conklin, Nancy	Math Teacher	McCaffrey
Dulai, Damandeep	Special Ed Teacher	River Oaks
Gomez, Oralia	Classified Substitute	N/A
Marchand, Cierra	Classified Substitute	N/A
Nolan, Jeremy	Classified Substitute	N/A
Pena, Claudia	Classified Substitute	N/A
Ramirez, Alexandra	Bus Driver	Transportation
Somers, Barbara	Special Ed Instructional Asst. (Transfer)	River Oaks



CONSENT CALENDAR DONATIONS

River Oaks

- Eugenia Luna donated \$25.00 towards the School Lunch Program

GALEP

- Teri and Kevin Grisler donated an English Saddle for Therapeutic Riding valued at \$400.00



Galt Joint Union Elementary School District

Galt Joint Union Elementary School District

1018 C Street, Suite 210, Galt, CA 95632
209-744 4545 * 209-744-4553 fax

Board Meeting Agenda Item Information

Meeting Date: November 28, 2018	Agenda Item: 171.950 Consent Calendar (continued)- Items Removed For Later Consideration
Presenter: Karen Schauer	Action Item: XX Information Item:
<p>The Board will have the opportunity to address any items that are moved from the consent calendar.</p>	



Board Meeting Agenda Item Information

Meeting Date: November 28, 2018	Agenda Item: 171.951 Board Consideration to Establish December 12, 2018 at 7:00 p.m. at Galt Joint Union Elementary School District Office as the Annual Organizational Meeting and Regular Monthly Meeting per Education Code §35143
Presenter: Karen Schauer	Action Item: XX Information Item:

Under provisions of Education Code section 35143, the governing board is required to set an annual organizational meeting “within a 15-day period that commences with the date upon which a governing board member elected at that election takes office. Organizational meetings in years in which no such regular election for governing board members is conducted shall be held during the same 15-day period on the calendar.”

The 15-day period for 2018 is December 7 -21.

The day and time of the annual meeting are to be selected by the governing board at its regular meeting held (in November) immediately prior to the first day of such 15-day period, and the board shall notify the County Superintendent of Schools of the day and time selected.

Board approval is recommended to set the annual organizational meeting for December 12, 2018.

Education Code Section 35143

The governing board of each school district shall hold an annual **organizational meeting**. In a year in which a regular election for governing board members is conducted, the meeting shall be held on a day within a 15-day period that commences with the date upon which a governing board member elected at that election takes office.

Organizational meetings in years in which no such regular election for governing board members is conducted shall be held during the same 15-day period on the calendar. Unless otherwise provided by rule of the governing board, the day and time of the annual meeting shall be selected by the board at its regular meeting held immediately prior to the first day of such 15-day period, and the board shall notify the county superintendent of schools of the day and time selected. The clerk of the board shall, within 15 days prior to the date of the annual meeting, notify in writing all members and members-elect of the date and time selected for the meeting.

If the board fails to select a day and time for the meeting, the county superintendent of schools having jurisdiction over the district shall, prior to the first day of such 15-day period and after the regular meeting of the board held immediately prior to the first day of such 15-day period, designate the day and time of the annual meeting. The day designated shall be within the 15-day period. He shall notify in writing all members and members-elect of the date and time.

At the annual meeting the governing board of each high school district, union high school district, and joint union high school district shall organize by electing a president from its members and a clerk.

At the annual meeting each city board of education shall organize by electing a president from its members.

At the annual meeting the governing board of each other type of school district, except a community college district, shall elect one of its members clerk of the district.

As an alternative to the procedures set forth in this section, a city board of education whose members are elected in accordance with a city charter for terms of office commencing in December, may hold its annual organizational meeting required in this section between December 15 and January 14, inclusive, as provided in rules and regulations which shall be adopted by such board. At the annual meeting the city board of education shall organize by electing a president and vice president from its members who shall serve in such office during the period January 15 next to the following January 14, unless removed from such office by majority vote of all members of the city board of education.



Board Meeting Agenda Item Information

Meeting Date: November 28, 2018	Agenda Item: 171.952 Board Consideration of Nominations for CSBA (California School Boards Association) Delegate Assembly, Subregion 6-B
Presenter: Karen Schauer	Action Item: XX Information Item:

CSBA’s Delegate Assembly is a vital link in the association’s governance structure. Working with local districts, county offices, the Board of Directors and Executive Committee, Delegates ensure that the association reflects the interests of school districts and county offices of education throughout the state. It sets CSBA’s general policy direction and fulfills a critical governance role within the Association. The Delegate Assembly is comprised of Delegates who are elected by local board members in 21 geographic regions throughout the state. The Delegate Assembly meets twice each year. Nomination and candidate biographical sketch forms for CSBA’s Delegate Assembly are now being accepted until Monday, January 7, 2019.

Any CSBA member board is eligible to nominate board members within their geographical region or subregion. Each board may nominate as many individuals as it chooses, however, it is the responsibility of the nominating board to obtain permission from the nominee prior to submitting his or her name. Delegates serve a two-year term beginning April 1, 2019 through March 31, 2021.



2019 Delegate Assembly Nomination Form

DUE Monday, January 7, 2019

E-mail to nominations@csba.org or, fax (916) 371-3704 or, Mail to: CSBA Exec. Office | 3251 Beacon Bl., W. Sacramento, 95691.

CSBA Region/subregion # _____

The Board of Education of the _____ voted to
(Nominating District)
nominate _____ The nominee is a member of the
(Nominee)
_____, which is a member of the California
(Nominee's Board)
School Boards Association.

- The nominee has consented to this nomination.
- Attached is the nominee's required one-page, single-sided, candidate biographical sketch form and optional one-page, single-sided résumé, if submitted.
- The nominee's required one-page, single-sided, candidate biographical sketch form and optional one-page, single-sided résumé, if submitted, will be sent by Monday, January 7, 2019.

Board Clerk or Board Secretary (signed)

Date

Board Clerk or Board Secretary (printed)

PLEASE NOTE: This nomination form and nominee's candidate biographical sketch form are both due Monday, January 7, 2019. They may be emailed to nominations@csba.org, or faxed to (916) 371-3407 by 11:59 p.m., or mailed to CSBA, Attn: Executive Office, 3251 Beacon Blvd., West Sacramento, CA 95691, postmarked by the U.S.P.S. no later than **Monday, January 7, 2019**. *It is the nominee's responsibility to confirm that all nomination materials have been received by the CSBA Executive Office by the due date. Late submissions cannot be accepted.* Please contact CSBA's Executive Office (800) 266-3382, should you have any questions. Thank you.

2019 Delegate Assembly Candidate Biographical Sketch Form
DUE: Monday, January 7, 2019 – no late submissions accepted

Please complete, sign, and date this required ONE-page candidate biographical sketch form. An optional, ONE-page, single-sided, résumé may also be submitted; both will be copied exactly as received. Please do not state “see résumé” and do not re-type this form. It is the candidate’s responsibility to confirm that all nomination materials have been received by the CSBA Executive Office.

Your signature indicates your consent to have your name placed on the ballot and to serve as a Delegate, if elected.

Signature: _____ ***Date:*** _____

Name: _____ CSBA Region & subregion #: _____
 District or COE: _____ Years on board: _____
 Profession: _____ Contact Number (please Cell Home Bus.): _____
 *Primary E-mail: _____
 (*Communications from CSBA will be sent to primary email)
 Are you an incumbent Delegate? Yes No | If yes, year you became Delegate: _____

Why are you interested in becoming a Delegate? Please describe the skills and experiences you would bring to the Delegate Assembly.

Please describe your activities and involvement on your local board, community, and/or CSBA.

What do you see as the biggest challenge facing governing boards and how can CSBA help address it?



DELEGATE ASSEMBLY with 2019 & 2020 terms. Only 2019 seats are up for election | ♦ = District appointment

REGION 1 – 4 Delegates (4 elected)

Director: Jennifer Owen (Fort Bragg USD)

Subregion 1-A (Del Norte, Humboldt)

Donald McArthur (Del Norte County USD), 2019

Lisa Ollivier (Eureka City SD), 2020

Subregion 1-B (Lake, Mendocino)

Sandy Tucker (Middletown USD), 2020

Region 1 County:

David Browning (Lake COE), 2019

REGION 2 – 4 Delegates (4 elected)

Director: Sherry Crawford (Siskiyou COE)

Subregion 2-A (Modoc, Siskiyou, Trinity)

Gregg Gunkel (Siskiyou Union HSD), 2019

Subregion 2-B (Shasta)

Teri Vigil (Fall River Joint USD), 2019

Subregion 2-C (Lassen, Plumas)

Dwight Pierson (Plumas County & USD), 2020

Region 2 County:

Brenda Duchi (Siskiyou COE), 2020

REGION 3 – 8 Delegates (8 elected)

Director: A.C. (Tony) Ubalde (Vallejo City USD)

Subregion 3-A (Sonoma)

Ron Kristof (Santa Rosa City Schools), 2019

Jeremy Brott (Bennett Valley Union SD), 2020

Subregion 3-B (Napa)

Indira Lopez (Calistoga Joint USD), 2019

Subregion 3-C (Solano)

Diane Ferrucci (Benicia USD), 2019

David Isom (Fairfield-Suisun USD), 2019

Michael Kitzes (Vacaville USD), 2020

Subregion 3-D (Marin)

Barbara Owens, (Tamalpais Union HSD) 2020

Region 3 County:

Herman Hernandez (Sonoma COE), 2019

REGION 4 – 8 Delegates (8 elected)

Director: Paige Stauss (Roseville Joint Union HSD)

Subregion 4-A (Glenn, Tehama)

Rod Thompson (Red Bluff Jt. Union HSD), 2020

Subregion 4-B (Butte)

Judith Peters (Paradise USD), 2019

Subregion 4-C (Colusa, Sutter, Yuba)

Jim Flurry (Marysville Joint USD), 2020

Vacant, 2019

Subregion 4-D (Nevada, Placer, Sierra)

Julann Brown (Auburn Union ESD), 2019

Linda Campbell (Nevada Joint Union HSD), 2019

Renee Nash (Eureka Union SD), 2020

Region 4 County:

June McJunkin (Sutter COE), 2020

REGION 5 – 10 Delegates (7 elected/3 appointed ♦)

Director: Alisa MacAvoy (Redwood City ESD)

Subregion 5-A (San Francisco)

Emily Murase (San Francisco County USD) ♦, 2019

Rachel Norton (San Francisco County USD) ♦, 2019

Vacant (San Francisco County USD) ♦, 2020

Subregion 5-B (San Mateo)

Davina Drabkin (Burlingame ESD), 2019

Carrie Du Bois (Sequoia Union HSD), 2019

Amy Koo (Belmont-Redwood Shores SD), 2020

Clayton Koo, (Jefferson ESD), 2020

Kevin Martinez (San Bruno Park ESD), 2019

Kalimah Salahuddin (Jefferson Union HSD), 2020

Region 5 County:

Beverly Gerard (San Mateo COE), 2019

REGION 6 – 19 Delegates (12 elected/7 appointed ♦)

Director: Darrel Woo (Sacramento City USD)

Subregion 6-A (Yolo)

Jackie Wong (Washington USD), 2020

Subregion 6-B (Sacramento)

Michael A. Baker (Twin Rivers USD) ♦, 2019

Pam Costa (San Juan USD) ♦, 2019

Craig DeLuz (Robla ESD), 2020

John Gordon (Galt Joint Union ESD), 2019

Jay Hansen (Sacramento City USD) ♦, 2019

Susan Heredia (Natomas USD), 2019

Lisa Kaplan (Natomas USD), 2019

Ramona Landeros (Twin Rivers USD), 2020

Crystal Martinez-Alire (Elk Grove USD) ♦, 2019

Mike McKibbin (San Juan USD) ♦, 2020

Christina Pritchett (Sacramento City USD) ♦, 2020

JoAnne Reinking (Folsom-Cordova USD), 2020

Rebecca Sandoval (Twin Rivers USD), 2019

Edward (Ed) Short (Folsom-Cordova USD), 2019

Bobbie Singh-Allen (Elk Grove USD) ♦, 2020

Subregion 6-C (Alpine, El Dorado, Mono)

Misty diVittorio (Placerville Union ESD), 2020

Suzanna George (Rescue Union ESD), 2019

Region 6 County:

Shelton Yip (Yolo COE), 2020

REGION 7 – 20 Delegates (15 elected/5 appointed ♦)

Director: Yolanda Peña Mendrek (Liberty Union HSD)

Subregion 7-A (Contra Costa)

Elizabeth (Liz) Bettis (Walnut Creek ESD), 2019

Elizabeth Block (West Contra Costa USD) ♦, 2020

Laura Canciamilla (Pittsburg USD), 2020

Madeline Kronenberg (West Contra Costa USD), 2020

Linda K. Mayo (Mt. Diablo USD) ♦, 2019

Marina Ramos (John Swett USD), 2019

Richard Severy (Moraga ESD), 2019

Raymond Valverde (Liberty Union HSD), 2020

Delegate Assembly List as of 10-15-18



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: November 28, 2018	Agenda Item: 171.953 Board Consideration of Approval of Resolution #7 Accepting Final Completion of Contract for the River Oaks Elementary School Pump Replacement Project; Wagner Mechanical Inc.
Presenter: Lois Yount	Action Item: XX Information Item:

On May 23, 2018, the Board approved an agreement between the District and Wagner Mechanical Inc., to replace a pump at River Oaks Elementary School. This project has been completed and we are requesting Board approval of Resolution No. 7, Notice of Completion.

With Board approval, the Notice will be sent to the Sacramento County Recorder's Office for recording. The projected budget for the scope of work was \$59,7089.00. The final invoice for the scope of work is \$56,600.

**BEFORE THE BOARD OF EDUCATION
OF THE GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA**

RESOLUTION NO. #7

**ACCEPTING FINAL COMPLETION OF CONTRACT FOR THE RIVER OAKS
ELEMENTARY SCHOOL PUMP REPLACEMENT PROJECT**

WAGNER MECHANICAL INC.

WHEREAS, on the 23rd of May 2018, an agreement was executed by and between the Galt Joint Union Elementary School District of the County of Sacramento, State of California, as Owner, and Wagner Mechanical Inc., Stockton, California, 95203 as Contractor, for the River Oaks Elementary School pump replacement in accordance with the plans and specifications thereof.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS, that the work contracted for as herein mentioned is declared to have been completed and is hereby accepted by the Galt Joint Union Elementary School District of the County of Sacramento, as Owner, and that the balance due under the agreement is to be paid to the Contractor according to its terms.

That Karen Schauer, Ed.D. is hereby authorized and directed to execute and cause to be recorded a Notice of Completion on behalf of the Owner.

PASSED AND ADOPTED this 28th day of November 2018, by the following vote of the Board of Education of the Galt Joint Union Elementary School District of the County of Sacramento, to wit:

AYES:

NOES:

ABSENT:

ATTEST:

MATTHEW FELIX, CLERK
Board of Education
Galt Joint Union Elementary School District
Sacramento County, California

NOTICE OF FINAL COMPLETION

RIVER OAKS ELEMENTARY SCHOOL PUMP REPLACEMENT

NOTICE IS HEREBY GIVEN that the Galt Joint Union Elementary School District of the County of Sacramento, State of California, as Owner of the property hereinafter described entered into an agreement between itself, as Owner, and Wagner Mechanical Inc., Stockton, California, as Contractor, for the completion of the River Oaks Elementary School Pump Replacement Project, in accordance with plans and specifications thereof.

NOTICE IS FURTHER GIVEN that the work under the terms of said agreement was completed to the satisfaction of the owner on October 26, 2018, and by Resolution of Acceptance of Completion passed and adopted by the Board of Education on November 28, 2018.

The name and address of owner is Galt Joint Union Elementary School District, 1018 C Street, Suite 210, Galt, CA 95632, and the nature of the interest of such owner is a fee simple title.

The address where the work was performed is located at 905 Vintage Oak Avenue, Galt, California 95632.

The name of the contractor is Wagner Mechanical Inc., Stockton, CA, 95203.

GALT JOINT UNION ELEMENTARY
SCHOOL DISTRICT
OF THE COUNTY OF SACRAMENTO
STATE OF CALIFORNIA

BY: _____
Karen Schauer, Ed.D
Superintendent

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

Subscribed and sworn to (or affirmed) before me on
this _____ day of _____, 20____,
by _____, proved to me
on the basis of satisfactory evidence to be the person
who appeared before me.

Signature of Notary Public (Seal)



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: November 28, 2018	Agenda Item: 171.954 Board Consideration Of Approval Of Resolution 8: 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 First Supplemental 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: Karen Schauer and Lois Yount	Action Item: XX Information Item:
<p>In addition to authorizing the sale of the Bonds via a competitive bid process using the negotiated sale statutes, the Resolution also establishes a not-to-exceed Bond issuance amount of \$10.1 million (the remaining authorization under Measure K), approves the forms of various financing documents listed below and authorizes the District officials to execute the final versions of such documents to be completed after the sale of the Bonds.</p> <p>Form of First Supplemental Paying Agent Agreement The First Supplemental Paying Agent Agreement prescribes certain terms and conditions of the Bonds, including the principal maturity dates, interest payment dates, and how these Bonds may be refinanced in the future. The First Supplemental Paying Agent Agreement adds to the terms in the original Paying Agent Agreement associated with the first series of Measure K general obligation bonds issued by the District in 2017. 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 Exhibit A to the First Supplemental 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 First Supplemental 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 December 11, 2018).</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 December 11, 2018.</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. 8

**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 FIRST SUPPLEMENTAL
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, the Board of Education (the “Board”) of the Galt Joint Union Elementary School District (the “District”) duly ordered a school bond election, which was then regularly held in the District on November 8, 2016;

WHEREAS, at such election, the measure for incurring bonded indebtedness 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, and 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”);

WHEREAS, the District issued its first series of Bonds on June 6, 2017, in the principal amount of \$9,600,000, designated the “Galt Joint Union Elementary School District, General Obligation Bonds, Election of 2016, Series 2017”;

WHEREAS, the Board has determined that it is necessary and desirable to issue and sell the second and final 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 2018” (the “Series 2018 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 2018 Bonds of the District; and

WHEREAS, the indebtedness of the District, including the proposed issuance of the Series 2018 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 2018 Bonds; Issue Authorized. The Board hereby authorizes the issuance of the Series 2018 Bonds in an aggregate principal amount not to exceed \$10,100,000. The true interest cost of the Series 2018 Bonds is estimated to be 4.38%. Total debt service payment is estimated to be \$18,015,308. The costs of issuance of the Series 2018 Bonds (including estimates of compensation for the underwriter) are estimated to be \$405,000. This includes an estimated premium for bond insurance, to be purchased by the underwriter of the Series 2018 Bonds at the underwriter’s option and expense only if financially efficient, of \$110,000. After payment of such costs of issuance, the District is estimated to receive \$9,695,368 from the sale of the Series 2018 Bonds. The District is issuing the Series 2018 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 2018 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 First Supplemental Paying Agent Agreement. The Board hereby approves the form of the First Supplemental Paying Agent Agreement (the “Paying Agent Agreement”) between the District and Zions Bancorporation, 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/Chief Business Official (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 2018 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 “Municipal Advisor”) to conduct a negotiated sale of the Series 2018 Bonds following a competitive bidding process to select, with the approval of a Designated Officer, a firm to underwrite the Series 2018 Bonds. The Board hereby further authorizes the sale of the Series 2018 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 2018 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 2018 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 2018 Bonds with the Underwriter, selected by such Designated Officers, upon the recommendation of the District’s Municipal Advisor, and based on a competitive bidding process conducted by the Municipal 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 2018 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 2018 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 2018 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 Municipal 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 Municipal 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 2018 Bonds, and authorizes and directs the Underwriter to deliver copies of the final Official Statement to all purchasers of the Series 2018 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 2018 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 2018 Bonds have been performed and have been met, in regular and due form as required by law, including compliance with the required disclosures set forth in Government Code section 5852.1; that the full faith and credit of the District are hereby pledged for the timely payment of the principal and interest on the Series 2018 Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Series 2018 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 2018 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 2018 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 2018 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 2018 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 2018 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 Municipal Advisor; Zions Bancorporation, 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 2018 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 2018 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 2018 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 2018 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 November 28, 2018, 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

FIRST SUPPLEMENTAL PAYING AGENT AGREEMENT

between
GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT

and

ZIONS BANCORPORATION, NATIONAL ASSOCIATION,
as Paying Agent

Dated December 1, 2018

\$(PAR AMOUNT)
GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 2016, SERIES 2018

(Supplemental to the Paying Agent Agreement dated June 1, 2017)

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FIRST SUPPLEMENTAL PAYING AGENT AGREEMENT

(Supplemental to the Paying Agent Agreement dated June 1, 2017)

This First Supplemental Paying Agent Agreement, dated December 1, 2018 (the “First Supplemental Paying Agent Agreement”), is entered into between the GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT, a school district duly established and existing under the Constitution and laws of the State of California (the “District”), and ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as paying agent, a national banking association duly organized and operating under 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 issued its first series of Bonds on June 6, 2017 in an aggregate principal amount of \$9,600,000, designated the Galt Joint Union Elementary School District, General Obligation Bonds, Election of 2016, Series 2017 (the “Series 2017 Bonds”) pursuant to the Paying Agent Agreement dated June 1, 2017, between the District and the predecessor to the Paying Agent, Zions Bank, a division of ZB, National Association (the “Series 2017 Paying Agent Agreement,” and together with this First Supplemental Paying Agent Agreement, the “Paying Agent Agreement”) to pay the cost of the acquisition, construction, and completion of improvements described in the measure approved in the 2016 Election;

WHEREAS, the District intends to issue its second series of Bonds (the “Series 2018 Bonds” as defined in Paragraph I – Definitions below) in the principal amount of \$[PAR AMOUNT], 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 2018 Bonds;

WHEREAS, the District and the Paying Agent have determined to enter into this First Supplemental Paying Agent Agreement in order to provide for the authentication and delivery of the Series 2018 Bonds, to establish and declare the terms and conditions upon which the Series 2018 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 First Supplemental 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 First Supplemental 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 First Supplemental Paying Agent Agreement.

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL 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:

I. Definitions. Capitalized terms used herein and not defined herein shall have the definitions ascribed to such terms by the Series 2017 Paying Agent Agreement. As used in this First Supplemental Paying Agent Agreement, unless the context otherwise requires, the following words and phrases shall have the following meanings:

“Project” means the acquisition, construction, and completion of improvements described in the measure approved in the 2016 Election.

“Series 2018 Bonds” means the Galt Joint Union Elementary School District, General Obligation Bonds, Election of 2016, Series 2018.

II. Supplemental Provisions. The following Articles and Sections are hereby added to the Paying Agent Agreement.

**ARTICLE 13
THE SERIES 2018 BONDS**

Section 13.1 Terms and Form of Series 2018 Bonds.

(A) Authorization and Title of Series 2018 Bonds. The District hereby creates the Series 2018 Bonds as an additional series of Bonds and designates it “Galt Joint Union Elementary School District, General Obligation Bonds, Election of 2016, Series 2018.” At any time after the execution and delivery of this First Supplemental Paying Agent Agreement, the District may execute and the Paying Agent

shall deliver the Series 2018 Bonds in an aggregate principal amount of \$[PAR AMOUNT].

(B) Form of Series 2018 Bonds. The form of the Series 2018 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 2018 Bonds established by this Article.

(C) Book-Entry Form; Denominations. The Series 2018 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 2018 Bonds shall be initially issued registered in the name of “Cede & Co.,” as nominee of DTC. The Series 2018 Bonds shall be evidenced by one Series 2018 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 2018 Bonds to mature on such date. Registered ownership of the Series 2018 Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 3.2 (Book-Entry Provisions). The Series 2018 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 2018 Bonds shall be dated their date of delivery, shall bear interest from such date at the following rates per annum, and shall mature on August 1 in the following years in the following amounts:

Maturity Date <u>(August 1)</u>	Principal <u>Amount</u> \$	Interest <u>Rate</u> %
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Interest on the Series 2018 Bonds shall be calculated on the basis of a 360-day year comprising twelve (12) thirty (30) day months. Each Series 2018 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 July 15, 2019, in which event it will bear interest from the date of delivery, provided, that if, at the time of authentication of any Series 2018 Bond, interest is in default thereon, such Series 2018 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 2018 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 2018 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 2018 Bonds shall be payable on August 1, 2019, 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 2018 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 2018 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 2018 Bond shall not be entitled to any other payment, and such Series 2018 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 2018 Bonds and interest accrued thereon from moneys held by the Paying Agent for such payment.

Section 13.2 Redemption of Series 2018 Bonds.

(A) General. The Series 2018 Bonds shall be subject to redemption as provided in Article 5 (Redemption of Bonds) of the Paying Agent Agreement.

(B) Optional Redemption of Series 2018 Bonds. The Series 2018 Bonds maturing on or before August 1, 2026, are not subject to optional redemption prior to maturity. The Series 2018 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 2018 Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

(C) Mandatory Redemption. The Series 2018 Bonds maturing by their terms on August 1, 20__ (the “20__ Series 2018 Term Bond”) and August 1, 20__ (the “20__ Series 2018 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 2018 Term Bond and 20__ Series 2018 Term Bond, optionally redeemed.

20 Series 2018 Term Bond

**Mandatory Redemption Dates
(August 1)**

**Mandatory Sinking
Account Payment**

\$

*

* Final maturity

20 Series 2018 Term Bond

**Mandatory Redemption Dates
(August 1)**

**Mandatory Sinking
Account Payment**

\$

*

* Final maturity

Section 13.3 Application of Proceeds of Series 2018 Bonds. The District shall cause the proceeds of the sale of the Series 2018 Bonds to be deposited or transferred as follows:

(A) Building Fund. \$_____ shall be transferred to the District for deposit and maintenance in the Building Fund created by Section 3.5 (Building Fund);

(B) Tax Collection Fund. \$_____ shall be transferred to the Director of Finance for deposit and maintenance in the Tax Collection Fund created by Section 7.1 (Levy of Taxes; Tax Collection Fund); and

(C) Cost of Issuance Fund. The Paying Agent shall deposit in the Costs of Issuance Fund for the Series 2018 Bonds the amount of \$_____.

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 December 27, 2018, 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. Upon such transfer, the Costs of Issuance Fund shall be closed.

The Paying Agent may, in its discretion, establish a temporary fund or account to facilitate the foregoing transfers.

Section 13.4 Validity of the Series 2018 Bonds. The recital in the Series 2018 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 13.5 Security of the Series 2018 Bonds. The Series 2018 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 2018 Bonds, in accordance with and subject to Section 15250 and Section 15252 of the California Education Code.

The Series 2018 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 14 [BOND INSURANCE POLICY FOR SERIES 2018 BONDS

The provisions of this Article 14, 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 14 shall not be amended or supplemented without the prior written consent of the Insurer.

Section 14.1 Municipal Bond Insurance.

III. Provisions of the Paying Agent Agreement. Except as is provided in this First Supplemental Paying Agent Agreement, every term and condition contained in the Series 2017 Paying Agent Agreement shall apply to this First Supplemental Paying Agent Agreement and to the Series 2018 Bonds with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this First Supplemental Paying Agent Agreement.

This First Supplemental Paying Agent Agreement and all the terms and provisions herein contained shall, along with the Series 2017 Paying Agent Agreement, form the Paying Agent Agreement as fully and with the same effect as if all such terms and provisions had been set forth in the Paying Agent Agreement. The Paying Agent Agreement is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby.

IV. Separability of Invalid Provisions. If any one or more of the provisions contained in this First Supplemental Paying Agent Agreement or in the Series 2018 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 First Supplemental Paying Agent Agreement, and such invalidity, illegality, or unenforceability shall

not affect any other provision of this First Supplemental Paying Agent Agreement, and this First Supplemental 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 First Supplemental Paying Agent Agreement, and each and every other Section, paragraph, sentence, clause, or phrase hereof, and authorized the issuance of the Series 2018 Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this First Supplemental Paying Agent Agreement may be held illegal, invalid, or unenforceable.

V. Effect of Headings and Table of Contents. The headings or titles of the several 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 First Supplemental Paying Agent Agreement.

[Remainder of this Page Intentionally Left Blank]

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

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as Paying Agent

By: _____
Authorized Officer
Zions Bank Division

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT

By: _____
Karen Schauer, Ed.D.
Superintendent

EXHIBIT A

FORM OF SERIES 2018 BOND

REGISTERED
NO. R-__

REGISTERED
\$ _____

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 2016, SERIES 2018**

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 August 1, 2019. 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 Bancorporation, 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 an 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 First Supplemental Paying Agent Agreement dated December 1, 2018, between the District and the Paying Agent, supplementing the Paying Agent Agreement dated June 1, 2017, between the District and the Paying Agent, providing for the issuance of the bonds so authorized (collectively, said agreements, 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 2018” (the “Series 2018 Bonds”) issued in the aggregate principal amount of \$[PAR AMOUNT]. The Series 2018 Bonds are issued pursuant to the provisions of the California Government Code sections 53506 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.

The Series 2018 Bonds maturing on and before August 1, 2026, are not subject to optional redemption prior to maturity. The Series 2018 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 2018 Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

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

20 Series 2018 Term Bond

**Mandatory Redemption Dates
(August 1)**

**Mandatory Sinking
Account Payment**

\$

*

* *Final maturity*

20 Series 2018 Term Bond

**Mandatory Redemption Dates
(August 1)**

**Mandatory Sinking
Account Payment**

\$

*

* *Final maturity*

This bond is transferable or exchangeable for other Series 2018 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.

IN WITNESS WHEREOF, the Board of Education of the Galt Joint Union Elementary School District has caused this Series 2018 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 2018 Bonds described in the within-mentioned Paying Agent Agreement, which has been authenticated on the date set forth below.

Dated: [CLOSING DATE]

**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Paying Agent**

By: _____
Authorized Officer
Zions Bank Division

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

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 2018
 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 2018 (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 its annual tax levy 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 income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The opinion set forth in the preceding sentence is 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 income 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
SERIES 2018 COSTS OF ISSUANCE FUND**

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 2016, SERIES 2018**

**REQUISITION TO DISBURSE FUNDS
REQUISITION No. 1**

Dated: [CLOSING DATE]

The Galt Joint Union Elementary School District (the “District”) hereby certifies that obligations in the amounts stated in the attached Schedule I have been incurred by the District, are presently due and payable to the parties as set forth on said schedule, and that each item is a proper cost of issuance charge and has not been previously paid.

The District hereby requests Zions Bancorporation, National Association to pay these cost of issuance amounts to the parties as set forth on the attached Schedule I.

Attached hereto are invoices for each payment requested.

**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.			
Total			

\$(PAR AMOUNT)
GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 2016, SERIES 2018

BOND PURCHASE AGREEMENT

[SALE DATE]

Board of Education
Galt Joint Union Elementary School District
1018 C Street, Suite 210
Galt, CA 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 Superintendent of 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 2018, 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 Sacramento County, California.

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

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 Bancorporation, National Association.

Paying Agent Agreement means that certain Paying Agent Agreement, entered into between the District and the Paying Agent, dated June 1, 2017, as supplemented by the First Supplemental Paying Agent Agreement, entered into between the District and the Paying Agent, dated December 1, 2018.

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 November __, 2018, by the District's Board of Education.

State means the State of California.

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. Establishment of Issue Price.

[If competitive bid rule is satisfied on sale day:]

(a) The Underwriter agrees to assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at the Closing Time an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District, and bond counsel. All actions to be taken by the District under this section to establish the issue price of the Bonds may be taken on behalf of the District by the District’s municipal advisor, Government Financial Strategies inc. (the “Municipal Advisor”) and any notice or report to be provided to the District may be provided to the Municipal Advisor.

(b) The District intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because:

i. the District disseminated a draft of this Bond Purchase Agreement, along with other terms and conditions related to the sale (the “bond sale materials”), to potential underwriters in a manner that was reasonably designed to reach potential underwriters;

ii. all bidders had an equal opportunity to bid;

iii. the District received bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

iv. the District is awarding the sale of the Bonds to the Underwriter based upon its firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in the bond sale materials.

(c) The Underwriter represents that its bid was prepared on the assumption that the issue price of the Bonds will be the reasonably expected initial offering price to the public.

[If competitive bid rule is not satisfied on sale day; apply 10% / hold-the-price rule:]

(a) The Underwriter agrees to assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at the Closing Time an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District, and bond counsel. All actions to be taken by the District under this section to establish the issue price of the Bonds may be taken on behalf of the District by the District’s municipal advisor, Government Financial Strategies inc. (the “Municipal Advisor”) and any notice or report to be provided to the District may be provided to the Municipal Advisor.

(b) The District shall treat the first price at which 10% of a maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the District the price or prices at which it has sold to the public each maturity of the Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the District the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the Schedule I attached hereto, except as otherwise set forth therein. Schedule I also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- i. the close of the fifth (5th) business day after the sale date; or
- ii. the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the District when it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(d) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The District acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The District further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(e) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this Section 5:

i. “public” means any person other than an underwriter or a related party;

ii. “underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public);

iii. a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (1) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (2) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (3) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

iv. “sale date” means the date of this Bond Purchase Agreement.

6. **Closing.** The Closing Time shall be no later than 9:00 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 “INTRODUCTORY STATEMENT,” “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 2016-2017 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. Rating Letter. Letter 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, CA 95632
Attention: Director of Business Services/CBO

or if to the Underwriter, addressed to:

[UNDERWRITER]
[ADDRESS]
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: _____
Lois Yount,
Director of Business Services/CBO

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 2018

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>
	\$	%	%	

c = Priced to August 1, 20__, par call.

EXHIBIT B

**FORM OF UNDERWRITER'S ISSUE PRICE CERTIFICATE
(Competitive Bid Rule)**

**[\$[PAR AMOUNT]]
GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 2016, SERIES 2018**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [UNDERWRITER] (the "Underwriter"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. *Reasonably Expected Initial Offering Price.*

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Underwriter are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Bonds used by the Underwriter in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Underwriter to purchase the Bonds.

(b) The Underwriter was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Underwriter constituted a firm bid to purchase the Bonds.

2. *Defined Terms.*

(a) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than a Regulatory Underwriter or a related party to a Regulatory Underwriter. The term "related party" for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(b) *Regulatory Underwriter* means (i) any person that agrees pursuant to a written contract with the Galt Joint Union Elementary School District (the "District") (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [SALE DATE].

The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Parker & Covert LLP, as bond counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the District from time to time relating to the Bonds. The undersigned makes no representation as to the legal sufficiency of the factual matters set forth herein

Dated: [CLOSING DATE]

[UNDERWRITER]

By: /SAMPLE/
Authorized Officer

SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)

EXHIBIT B

**FORM OF UNDERWRITER'S ISSUE PRICE CERTIFICATE
(10% Test and Hold-the-Offering-Price Rule)**

**[\$[PAR AMOUNT]]
GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 2016, SERIES 2018**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [UNDERWRITER] (the "Underwriter"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. ***Sale of the 10% Maturities.*** As of the date of this Certificate, for each Maturity of the 10% Maturities, the first price at which a Substantial Amount of such Maturity of the 10% Maturities was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Undersold Maturities.***

(a) The Underwriter offered the Undersold Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, the Underwriter has agreed in writing that, for each Maturity of the Undersold Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Offering Period for such Maturity, nor would it permit a related party to do so. Pursuant to such agreement, the Underwriter has neither offered nor sold any Maturity of the Undersold Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Offering Period.

3. ***Defined Terms.***

(a) *10% Maturities* means those Maturities of the Bonds shown in Schedule A hereto as the "10% Maturities."

(b) *Maturity* means the Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(c) *Offering Period* means, with respect to an Undersold Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth (5th) business day after the Sale Date, or (ii) the date on which the Underwriter has sold a Substantial Amount of such Undersold Maturity to the Public at a price that is no higher than the Initial Offering Price for such Undersold Maturity.

(d) *Public* means any person (including an individual, trust, estate, partnership, association, company or corporation) other than a Regulatory Underwriter or a related party to a Regulatory Underwriter. The term “related party” for purposes of this Certificate generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.

(e) *Regulatory Underwriter* means (i) any person that agrees pursuant to a written contract with the Galt Joint Union Elementary School District (the “District”) (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this section to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [SALE DATE].

(g) *Substantial Amount* means ten percent.

(h) *Undersold Maturities* means those Maturities of the Bonds shown in Schedule A hereto as the “Undersold Maturities.”

The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Parker & Covert LLP, as bond counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the District from time to time relating to the Bonds.

Dated: [CLOSING DATE]

[UNDERWRITER]

By: [SAMPLE]
 Authorized Officer

SCHEDULE A

**SALE PRICES OF THE ACTUALLY SOLD MATURITIES AND
INITIAL OFFERING PRICES OF THE OFFERED MATURITIES**

(Attached)

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

\$[PAR AMOUNT]
GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 2016, SERIES 2018

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 (\$ _____) aggregate principal amount of Galt Joint Union Elementary School District, General Obligation Bonds, Election of 2016, Series 2018 (the “Bonds”). The Bonds are being issued pursuant to a First Supplemental Paying Agent Agreement dated December 1, 2018, between the District and Zions Bancorporation, National Association (the “Paying Agent”), supplementing the Paying Agent Agreement dated June 1, 2017, between the District and the Paying Agent (altogether, the “Paying Agent Agreement”). 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 Repository. 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 2017-2018 Fiscal Year, due March 31, 2019, 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 the Repository 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: _____
Karen Schauer, Ed.D., Superintendent

EXHIBIT A

FORM OF NOTICE TO REPOSITORY 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 2018

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]

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.

PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER __, 2018 [DRAFT dated November 15, 2018]

NEW ISSUE
DTC BOOK-ENTRY ONLY

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. 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.



\$10,100,000*
GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
(SACRAMENTO COUNTY AND SAN JOAQUIN COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES 2018

DATED: Date of Delivery

DUE: August 1, as shown on the inside cover

The Galt Joint Union Elementary School District General Obligation Bonds, Election of 2016, Series 2018 in the aggregate principal amount of \$10,100,000* (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 certain costs of issuance of the Bonds. See “PLAN OF FINANCE” herein.

The Bonds are general obligation bonds of the District payable 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 in denominations of \$5,000 principal amount or any integral multiple thereof. The Bonds mature on August 1 in the years and amounts set forth on the inside cover page hereof. Interest on the Bonds accrues from the date of delivery and is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2019. 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. Individual purchases of the Bonds will be made in book-entry only form and only in authorized denominations as described in this Official Statement. 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 Bancorporation, 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 THEIR MEANINGS SET FORTH HEREIN.

MATURITY SCHEDULE

See Inside Cover

The Bonds are offered when, as and if issued by the District and received by _____ as underwriter of the Bonds (the “Underwriter”), subject to the approval as to their legality by Parker & Covert LLP, Sacramento, California, Bond Counsel to the District. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC on or about December 27, 2018.

This Official Statement is dated _____, 2018.

*Preliminary, subject to adjustment.

MATURITY SCHEDULE

\$10,100,000*

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
(SACRAMENTO COUNTY AND SAN JOAQUIN COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES 2018

Maturity Date August 1	Principal Amount*	Interest Rate	Yield	Price	CUSIP+
2020	\$____	____	____	____	364116 ____
2021	____	____	____	____	364116 ____
2022	____	____	____	____	364116 ____
2023	____	____	____	____	364116 ____
2024	____	____	____	____	364116 ____
2025	____	____	____	____	364116 ____
2026	____	____	____	____	364116 ____
2027	____	____	____	____	364116 ____
2028	____	____	____	____	364116 ____
2029	____	____	____	____	364116 ____
2030	____	____	____	____	364116 ____
2031	____	____	____	____	364116 ____
2032	____	____	____	____	364116 ____
2033	____	____	____	____	364116 ____
2034	____	____	____	____	364116 ____
2035	____	____	____	____	364116 ____
2036	____	____	____	____	364116 ____
2037	____	____	____	____	364116 ____
2038	____	____	____	____	364116 ____
2039	____	____	____	____	364116 ____
2040	____	____	____	____	364116 ____
2041	____	____	____	____	364116 ____
2042	____	____	____	____	364116 ____
2043	____	____	____	____	364116 ____
2044	____	____	____	____	364116 ____
2045	____	____	____	____	364116 ____
2046	____	____	____	____	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 between any owner of Bonds and the District or the Underwriter.

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 or the Underwriter 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 or the Underwriter.

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.

\$10,100,000*
GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
(SACRAMENTO COUNTY AND SAN JOAQUIN COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES 2018

DISTRICT BOARD OF EDUCATION

John Gordon, President
Grace Malson, Vice President
Matthew Felix, Clerk
Wesley Cagle, Representative

DISTRICT ADMINISTRATION

Karen Schauer, Ed.D., Superintendent
Lois Yount, 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

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BOND COUNSEL

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(916) 245-8677

PAYING AGENT

Zions Bancorporation, National Association
550 South Hope Street, Suite 2875
Los Angeles, California 90071
(213) 593-3153

* Preliminary; subject to adjustment

\$10,100,000^{*}
 GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
 (SACRAMENTO COUNTY AND SAN JOAQUIN COUNTY, CALIFORNIA)
 GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES 2018

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^{*} Preliminary; subject to adjustment

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OFFICIAL STATEMENT

\$10,100,000*

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT (SACRAMENTO COUNTY AND SAN JOAQUIN COUNTY, CALIFORNIA) GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES 2018

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 2018 in the aggregate principal amount of \$10,100,000* (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 and a small section of the northern portion of San Joaquin County, serving a population of approximately 30,600 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 3,640 students in transitional kindergarten through eighth grade, as well as additional students in a preschool program. The District is governed by a five-member Board of Education (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 November 20, 2018 (the “Resolution”) and a Paying Agent Agreement dated June 1, 2017 between the District and Zions Bancorporation, National Association (the “Paying Agent”) as supplemented by a First Supplemental Paying Agent Agreement dated December 1, 2018 between the District and the Paying Agent (together, the “Paying Agent Agreement”). See “THE BONDS—Authority for Issuance” herein.

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 payable semiannually on February 1 and August 1 of each year, commencing August 1, 2019. Interest on the Bonds is computed on the basis of a 360-day year comprised of 12 months of 30 days each. 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 from *ad valorem* property taxes which the Board of Supervisors of Sacramento County and 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 and from amounts on deposit in the Tax Collection Fund (as defined herein). 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. 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. The form of the proposed opinion of Bond Counsel relating to the Bonds is included with this Official Statement. See “APPENDIX C—FORM OF OPINION OF BOND COUNSEL” attached hereto.

Continuing Disclosure

The District will covenant for the benefit of the Registered Owners (as defined herein) and Beneficial Owners to make available annually 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 annually and the enumerated events for which notice will be given 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, Sacramento, California, Bond Counsel. Zions Bancorporation, National Association will act as paying agent with respect to the Bonds. Parker & Covert LLP and Zions Bancorporation, 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 are included in this Official Statement. Such summaries do not purport to be comprehensive or definitive, and all references made herein to such documents are qualified in their entirety by reference to such documents.

Interested parties may obtain copies of the Resolution, the Paying Agent Agreement, audited financial statements, annual budgets, or other information which is generally made available to the public 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

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 certain costs of issuance of the Bonds. See “—General Obligation Bond Election of 2016” herein.

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, certain 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 State law (the “2016 Election”), more

than 55 percent of the votes received from qualified voters within the boundaries of the District approved “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.

On June 6, 2017, the District issued the first series of bonds authorized by the 2016 Election, 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 “2017 Bonds”). The Bonds represent the second 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 no authorization remaining under the 2016 Election. See “DISTRICT FINANCIAL INFORMATION—Long-Term Borrowings” herein.

Form and Initial Registration

Pursuant to the Paying Agent Agreement, the Paying Agent will keep and maintain for and on behalf of the District registration 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 will be initially executed and delivered as one fully registered bond for each maturity, without coupons, in the name of Cede & Co., as nominee of DTC, acting as securities depository for the Bonds. Purchases of Bonds under the DTC book-entry system must be made by or through a DTC participant in the principal amount of \$5,000 or integral multiples thereof for each maturity, and ownership interests in Bonds will be recorded as entries on the books of said participants. Except in the event that use of this book-entry system is discontinued for the Bonds, purchasers of the Bonds (the “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., or its registered assigns, as nominee for DTC, references in this Official Statement to the Registered Owners mean Cede & Co., or its registered assigns, and do not mean the purchasers or Beneficial Owners of the Bonds.

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.

Interest on the Bonds is computed from their dated date on the basis of a 360-day year comprised of 12 months of 30 days each. Interest on the Bonds is payable semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date"), commencing August 1, 2019, 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 July 15, 2019, 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 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 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 Account Redemption. The Bonds maturing by their terms on August 1, 20__ (the "20__ Term Bond") and August 1, 20__ (the "20__ Term Bond", and, together with the 20__ Term Bond, the "Term Bonds") 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 Term Bonds optionally redeemed.

Mandatory Redemption Payments	
\$ _____ 20__ Term Bond	
Mandatory Redemption Date	Principal Amount
August 1	Amount
20__	\$ _____
20__	\$ _____ ¹

¹Indicates maturity of the \$ _____ 20__ Term Bond.

Mandatory Redemption Payments	
\$ _____ 20__ Term Bond	
Mandatory Redemption Date	Principal Amount
August 1	Amount
20__	\$ _____
20__	\$ _____ ¹

¹Indicates maturity of the \$ _____ 20__ Term Bond.

If any Term Bonds are optionally redeemed in part, the District will provide to the Paying Agent revised schedules of mandatory redemption payments.

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 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 holder 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 holder 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 Defeasance Securities (as defined herein) 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. Defeasance Securities means (i) cash; (ii) direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America; (iii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America; (iv) 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 (v) 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.

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 Bancorporation, National Association will act as the transfer agent, bond registrar, authenticating agent and paying agent for the Bonds unless and until replaced by the District with a successor paying agent as described in the Paying Agent Agreement. As long as Cede & Co or a successor nominee or 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 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 any 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

The Project

Moneys deposited in the Building Fund (as defined herein) from the sale of the Bonds will be used by the District to finance all or a portion of the costs of capital facilities projects authorized by the 2016 Election.

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 for deposit in the Galt Joint Union Elementary School District Building Fund (the "Building Fund") created and established in the Sacramento County Treasury in accordance with Education Code Section 15146. 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 solely in the Building Fund.

A portion of the proceeds from the sale of the Bonds, exclusive of any premium, will be retained by the Paying Agent deposited into a costs of issuance fund (the "Costs of Issuance Fund") to be created and maintained by the Paying Agent pursuant to the Paying Agent Agreement to pay costs associated with the issuance of the Bonds. The moneys in the Costs of Issuance Fund will be held uninvested. Any proceeds of the sale of the Bonds deposited in the Costs of Issuance Fund not needed to pay the costs of issuance of the Bonds will be transferred to the Debt Service Fund to be used to pay debt service on the Bonds.

The premium, if any, that is received by the District from the sale of the Bonds, will be transferred to the Sacramento County Director of Finance for deposit in the Galt Joint Union Elementary School District General Obligation Bonds Tax Collection Fund (the "Tax Collection Fund") to be used only for payments of principal of and interest on general obligation bonds of the District. Moneys in the Tax Collection Fund will be invested by the Sacramento County Director of Finance in any lawful investment permitted by Government Code Sections 16429.1 and 53601, including but not limited to the Sacramento County Pooled Investment Fund. See "SACRAMENTO COUNTY POOLED INVESTMENT FUND" herein and "APPENDIX D—SACRAMENTO COUNTY ANNUAL INVESTMENT POLICY" attached hereto.

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 2018**

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 agency and certain other expenses related to the issuance of the Bonds.

Debt Service Schedules

Scheduled debt service on the Bonds (assuming no optional redemption of such Bonds) is shown in the table on the following page.

Debt Service Schedule
General Obligation Bonds, Election of 2016, Series 2018

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Semiannual Debt Service</u>	<u>Annual Debt Service</u>
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				
August 1, 2025				
February 1, 2026				
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February 1, 2040				
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 on the District’s outstanding general obligation bond debt (assuming no optional redemption of such general obligation bond debt) is shown in the following table. See “DISTRICT FINANCIAL INFORMATION—Long-Term Borrowings” for more information on the District’s outstanding bonded debt.

**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 2018	Total General Obligation Bond Debt Service
2019	\$	\$	\$
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
Total	\$	\$	\$

SECURITY AND SOURCE OF PAYMENT

Introduction

The Bonds are general obligation bonds of the District payable from *ad valorem* property taxes levied and collected by Sacramento County and San Joaquin County solely for the payment of principal of and interest on the Bonds and from amounts on deposit in the Tax Collection Fund (as defined herein). 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 Sacramento County and San Joaquin County are obligated to levy and collect the *ad valorem* tax for the payment of the Bonds, the Bonds are not a debt of either Sacramento County or San Joaquin County.

The proceeds of such *ad valorem* tax, when collected, will be deposited into the Tax Collection Fund pursuant to Education Code Section 15251, 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, and such pledge constitutes a lien on and security interest in such *ad valorem* taxes and amounts in the Tax Collection Fund. The District will pledge to cause Sacramento County and San Joaquin County to take all actions necessary to levy such *ad valorem* tax in accordance with Education Code Section 15250 *et seq.* and to cause the proceeds from such levy to be deposited to the Tax Collection Fund to pay the principal of and interest on the Bonds when due.

All funds held in the Tax Collection Fund are expected to be invested at the sole discretion of the Sacramento County Director of Finance, on behalf of the District, in such investments as are authorized by Government Code sections 16429.1, 53601 and 53636 and by the investment policy in effect in Sacramento County (the “Sacramento County Investment Policy”) as may be amended or supplemented from time to time. See “SACRAMENTO COUNTY POOLED INVESTMENT FUND” herein and “APPENDIX D—SACRAMENTO COUNTY ANNUAL INVESTMENT POLICY” attached hereto. The District will direct the Sacramento 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 Sacramento County and San Joaquin County are responsible for the performance of each function in the property taxation system within such county. 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 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

Government Code Section 53515, which became effective as of January 1, 2016, provides that 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. 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 by 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 10 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 includes net local unsecured and unsecured homeowner exemption value.

Historical Total Secured and Unsecured Assessed Valuation Galt Joint Union Elementary School District

<u>Year Ended June 30</u>	<u>Total Secured Assessed Value</u>	<u>Total Unsecured Assessed Value</u>	<u>Total Assessed Value</u>	<u>Percentage Change</u>
2010	\$2,101,845,548	\$56,173,626	\$2,158,019,174	--
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
2018	2,672,712,939	79,996,332	2,752,709,271	7.06
2019	2,885,436,610	79,991,199	2,965,427,809	7.73

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 2018-19 is approximately \$37.1 million. Upon issuance of the Bonds, the District will have remaining bonding capacity of approximately \$12.8 million*. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND EXPENDITURES—Article XIII A of the State Constitution” herein.

The remaining tables under this caption “SECURITY AND SOURCE OF PAYMENT” have been prepared by California Municipal Statistics, Inc. They have been included for general information purposes only. The District has not independently verified and does not guarantee the accuracy of the information in such tables.

Shown in the following table is the distribution of total assessed value among the cities and unincorporated areas encompassed by the District for fiscal year 2018-19.

**Assessed Valuation by Jurisdiction
Galt Joint Union Elementary School District**

<u>Jurisdiction</u>	<u>Assessed Valuation in District</u>	<u>Percent of District</u>	<u>Assessed Valuation of Jurisdiction</u>	<u>Percent of Jurisdiction in District</u>
City of Galt	\$2,131,774,581	71.89%	\$2,131,774,581	100.00%
Unincorporated Sacramento County	557,561,494	18.80	58,456,133,790	0.95
Unincorporated San Joaquin County	<u>276,091,734</u>	<u>9.31</u>	21,140,515,826	1.31
Total District	\$2,965,427,809	100.00%		
 <u>Summary by County</u>				
Sacramento County	\$2,689,336,075	90.69%	\$161,119,543,526	1.67%
San Joaquin County	<u>276,091,734</u>	<u>9.31</u>	74,265,401,243	0.37
Total District	\$2,965,427,809	100.00%		

Source: California Municipal Statistics, Inc.

* Preliminary; subject to adjustment

Shown in the following table is a distribution of taxable real property located in the District by principal purpose for which the parcels are used along with the local secured assessed valuation (excludes homeowners' exemption) and number of parcels for each use for fiscal year 2018-19.

**Assessed Valuation and Parcels by Land Use
Galt Joint Union Elementary School District**

	2018-19 Assessed Valuation ¹	Percent of Total	Number of Parcels	Percent of Total
Non-Residential:				
Agricultural	\$186,579,515	6.47%	515	4.96%
Commercial	140,774,217	4.88	111	1.07
Vacant Commercial	14,948,014	0.52	69	0.66
Office Building	17,450,149	0.60	31	0.30
Industrial	138,270,604	4.79	72	0.69
Vacant Industrial	7,325,044	0.25	37	0.36
Recreational	4,157,203	0.14	7	0.07
Government/Social/Institutional	8,330,250	0.29	41	0.39
Miscellaneous	<u>1,864,569</u>	<u>0.06</u>	<u>150</u>	<u>1.45</u>
Subtotal Non-Residential	\$519,699,565	18.02%	1,033	9.95%
Residential:				
Single Family Residence	\$2,195,890,905	76.13%	8,152	78.54%
Condominium/Townhouse	3,057,237	0.11	36	0.35
Mobile Home	21,349,041	0.74	299	2.88
Mobile Home Park	13,556,718	0.47	5	0.05
2-4 Residential Units	56,156,814	1.95	210	2.02
5+ Residential Units/Apartments	25,823,984	0.90	31	0.30
Vacant Residential	<u>49,014,006</u>	<u>1.70</u>	<u>614</u>	<u>5.92</u>
Subtotal Residential	\$2,364,848,705	81.98%	9,347	90.05%
Total	\$2,884,548,270	100.00%	10,380	100.00%

¹Local secured assessed valuation, excluding tax-exempt property.

Source: California Municipal Statistics, Inc.

The following table sets forth the assessed valuation of single-family homes within the District’s boundaries for fiscal year 2018-19.

**Per-Parcel Assessed Valuation of Single-Family Homes
Galt Joint Union Elementary School District**

		Number of <u>Parcels</u>	2018-19 <u>Assessed Valuation</u>	Average <u>Assessed Valuation</u>	Median <u>Assessed Valuation</u>	
Single-Family Residential		8,152	\$2,195,890,905	\$269,368	\$244,909	
<u>2018-19 Assessed Valuation</u>	<u>Number of Parcels¹</u>	<u>Percent of Total</u>	<u>Cumulative Percent of Total</u>	<u>Total Valuation</u>	<u>Percent of Total</u>	<u>Cumulative Percent of Total</u>
\$0 - \$24,999	23	0.282%	0.282%	\$351,706	0.016%	0.016%
\$25,000 - \$49,999	131	1.607	1.889	5,333,797	0.243	0.259
\$50,000 - \$74,999	182	2.233	4.122	11,366,627	0.518	0.777
\$75,000 - \$99,999	215	2.637	6.759	19,280,515	0.878	1.655
\$100,000 - \$124,999	271	3.324	10.083	30,831,197	1.404	3.059
\$125,000 - \$149,999	400	4.907	14.990	55,650,222	2.534	5.593
\$150,000 - \$174,999	818	10.034	25.025	133,121,318	6.062	11.655
\$175,000 - \$199,999	842	10.329	35.353	157,560,637	7.175	18.830
\$200,000 - \$224,999	655	8.035	43.388	139,295,064	6.343	25.174
\$225,000 - \$249,999	672	8.243	51.632	159,738,103	7.274	32.448
\$250,000 - \$274,999	599	7.348	58.979	157,296,573	7.163	39.612
\$275,000 - \$299,999	572	7.017	65.996	164,260,996	7.480	47.092
\$300,000 - \$324,999	485	5.949	71.946	151,350,799	6.892	53.984
\$325,000 - \$349,999	406	4.980	76.926	137,012,736	6.240	60.224
\$350,000 - \$374,999	335	4.109	81.035	121,364,800	5.527	65.751
\$375,000 - \$399,999	285	3.496	84.531	110,457,018	5.030	70.781
\$400,000 - \$424,999	289	3.545	88.077	119,051,811	5.422	76.203
\$425,000 - \$449,999	203	2.490	90.567	88,679,638	4.038	80.241
\$450,000 - \$474,999	188	2.306	92.873	86,917,194	3.958	84.199
\$475,000 - \$499,999	128	1.570	94.443	62,200,237	2.833	87.032
\$500,000 and greater	<u>453</u>	<u>5.557</u>	100.000	<u>284,769,917</u>	<u>12.968</u>	100.000
Total	8,152	100.000%		\$2,195,890,905	100.000%	

¹Improved single-family residential parcels. Excludes condominiums and parcels with multiple family units.
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 of 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 Sacramento 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 property values, reclassification of property to a class exempt from taxation, such as property owned by federal, 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 on each parcel. 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 2018-19 assessed valuation of TRA 5-030 is \$406,639,108, approximately 14.1 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>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
General Tax Rate	\$1.00000	\$1.00000	\$1.00000	\$1.00000	\$1.00000
Galt Joint Union Elementary School District	0.02630	0.02130	0.02540	0.05300	0.05220
Galt Joint Union High School District	0.04450	0.03430	0.05360	0.04830	0.06750
San Joaquin Delta Community College District	<u>0.02330</u>	<u>0.01980</u>	<u>0.01800</u>	<u>0.01800</u>	<u>0.02250</u>
Total Tax Rate	\$1.09410	\$1.07540	\$1.09700	\$1.11930	\$1.14220

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 2018-19, no single taxpayer owned more than 1.26 percent of the total secured taxable property in the District.

The 20 taxpayers in the District with the greatest combined secured assessed valuation of taxable property on the fiscal year 2018-19 tax roll own property that comprises 8.69 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 2018-19 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.

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.

Largest Taxpayers
Galt Joint Union Elementary School District

<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2018-19 Assessed Valuation</u>	<u>Percent of Total¹</u>
1. Cardinal CG Co.	Industrial	\$36,374,203	1.26%
2. Guttridge & Taylor LLC	Commercial	23,640,159	0.82
3. Liberty Ranch LLC	Agricultural	21,369,622	0.74
4. Wal Mart Stores Inc.	Commercial	18,052,468	0.63
5. Kurt A. & Sandra R. Kautz Trust	Agricultural	13,592,361	0.47
6. EL & EL Wood Products Corporation	Industrial	13,428,730	0.47
7. Jahant Wood Cellars LP	Agricultural/Winery	12,979,551	0.45
8. Chiu Family Revocable Trust	Commercial	12,444,744	0.43
9. Brovelli Woods LLC	Agricultural	11,739,170	0.41
10. Elsie J. Beldt Survivors Trust/ Beldt Amer Self Storage LLC	Mobile Home Park / Industrial	11,329,789	0.39
11. Gallo Vineyards Inc.	Agricultural	8,803,384	0.31
12. BMD Properties LLC	Industrial	8,693,875	0.30
13. 85 Enterprise Real Estate LLC	Industrial	8,658,077	0.30
14. F J Venture Partnership	Agricultural	8,245,036	0.29
15. S&P Vineyards	Agricultural	8,115,297	0.28
16. C. Ryan Voorhees	Agricultural	7,296,292	0.25
17. DKCR Properties Incorporated	Industrial	7,065,764	0.24
18. Bank of Stockton	Agricultural	6,535,499	0.23
19. Save Mart Supermarkets	Commercial	6,515,126	0.23
20. LRF Properties LLC	Commercial	<u>5,757,396</u>	<u>0.20</u>
		\$250,636,543	8.69%

¹Local secured assessed valuation of the District as of fiscal year 2018-19 was \$2,884,548,270.
Source: California Municipal Statistics, Inc.

Direct and Overlapping Bonded Debt

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 generally includes 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 December 1, 2018 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.

Statement of Direct and Overlapping Bonded Debt (As of December 1, 2018)
Galt Joint Union Elementary School District

2018-19 Assessed Valuation: \$2,965,427,809	Percent Applicable	Debt as of December 1, 2018
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>		
San Joaquin Delta Community College District	3.655%	\$7,254,261
Galt Joint Union High School District	68.094	39,923,512
Galt Joint Union Elementary School District	100.000	14,133,684 ¹
Galt Schools Community Facilities District No. 1	100.000	5,085,000
City of Galt 1915 Act Bonds	100.000	<u>782,000</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$67,178,457
 <u>OVERLAPPING GENERAL FUND DEBT:</u>		
Sacramento County General Fund Obligations	1.669%	\$3,447,612
Sacramento County Pension Obligations	1.669	14,781,833
Sacramento County Board of Education Certificates of Participation	1.669	80,780
San Joaquin County Certificates of Participation	0.372	301,580
Cosumnes Community Services District Certificates of Participation	11.272	<u>2,474,204</u>
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		\$21,086,009
Less: Sacramento County supported obligations		<u>284,523</u>
TOTAL NET OVERLAPPING GENERAL FUND DEBT		\$20,801,486
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>		 \$11,840,000
 GROSS COMBINED TOTAL DEBT		 \$100,104,466 ²
NET COMBINED TOTAL DEBT		\$99,819,943
 <u>Ratios to 2018-19 Assessed Valuation:</u>		
Direct Debt (\$14,133,684)		0.48%
Total Direct and Overlapping Tax and Assessment Debt		2.27%
Gross Combined Total Debt		3.38%
Net Combined Total Debt		3.37%
 <u>Ratios to Redevelopment Incremental Valuation (\$418,396,949):</u>		
Total Overlapping Tax Increment Debt		2.83%

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 10 percent penalty and a \$10 cost. In Sacramento County, delinquent taxes due on either installment are subject to penalty of 10 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 10 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>Fiscal Year</u>	<u>Secured Tax Charge²</u>	<u>Amount Delinquent As of June 30</u>	<u>Percent Delinquent As of June 30</u>
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
2016-17	624,647.87	5,650.10	0.90
2017-18	1,396,224.24	14,756.20	1.06

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 Sacramento County or San Joaquin County, only those secured property taxes actually collected in such county would be allocated to political subdivisions, including the District. The District’s tax

revenues would be subject to taxpayer delinquencies; however, the District would realize the benefit of interest and penalties collected from delinquent taxpayers, pursuant to law.

SACRAMENTO COUNTY POOLED INVESTMENT FUND

This section provides a general description of the Sacramento 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 Sacramento 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 Director of Finance manages the Sacramento County Pooled Investment Fund (the “Sacramento County Pool”) in which certain funds of Sacramento County and certain funds of other participating entities are pooled and invested pending disbursement. General participants are those government agencies within Sacramento County, including the District, for which the Sacramento County Director of Finance is statutorily designated as the custodian of such funds. The Sacramento 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 Sacramento 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 Sacramento County may allow, by appropriate board resolution, certain withdrawals of non-operating funds for purposes of investing outside the Sacramento County Pool. Some districts have from time to time authorized the Sacramento 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 Sacramento County Pool. Such participation is subject to the consent of the Sacramento County Director of Finance and must be in accordance with State law.

Funds held in the Sacramento County Pool are invested by the Sacramento County Director of Finance in accordance with State law and the Sacramento County Investment Policy, which is prepared by the Sacramento County Director of Finance and approved by the Sacramento County Board. A copy of the investment policy is attached hereto as “APPENDIX D.” The Sacramento 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 Sacramento County Pool is invested in order to earn a reasonable return while awaiting application for governmental purposes. The specific objectives for the Sacramento 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 Sacramento County Pool for the quarter ended September 30, 2018 was 2.064 percent, with weighted average maturity of 371 days.

A summary description of the composition of the Sacramento County Pool from the quarterly investment report as of September 30, 2018 is provided in the following table.

**Sacramento County Pooled Investment Fund
As of September 30, 2018**

<u>Type</u>	<u>Interest Rate</u>	<u>Trading Yield</u>	<u>Par Value</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Percent of Market Value</u>
Treasury Bills	1.937%	1.944%	\$105,000,000	\$104,621,408	\$104,989,290	3.18%
Variable Rates (Muni)	1.865	1.865	16,526,226	16,526,226	16,526,226	0.50
Federal Farm Credit Bonds (FFCB)	1.583	1.621	245,000,000	244,744,650	241,240,350	7.30
Federal Home Loan Banks	1.871	1.713	335,000,000	336,563,760	330,695,100	10.01
FHLB Discount Notes	2.224	2.242	215,200,000	213,453,251	213,627,944	6.47
Federal National Mortgage Assoc.	1.757	1.812	190,000,000	189,505,195	184,636,700	5.59
FHLMC	1.633	1.745	65,000,000	64,938,660	63,836,800	1.93
Commercial Paper (Discount)	2.278	2.298	683,000,000	677,074,414	680,816,611	20.61
Certificates of Deposits/Thrift Notes	2.275	2.274	865,000,000	865,003,111	865,115,484	26.19
Supranationals	2.113	2.297	546,000,000	542,798,756	536,321,240	16.24
Passbook Accounts	1.998	1.998	65,000,000	65,000,000	65,000,000	1.97
Sacramento County Pool Total	2.094%	2.121%	\$3,330,726,226	\$3,320,229,433	\$3,302,805,746	100.00

Source: County of Sacramento, Finance Agency.

Neither the District nor the Underwriter has made an independent investigation of the investments in the Sacramento County Pool and has made no assessment of the current Sacramento County Investment Policy. The value of the various investments in the Sacramento 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 Sacramento County Director of Finance, upon the approval by the Sacramento County Board, may change the Sacramento County Investment Policy at any time. Therefore, there can be no assurance that the values of the various investments in the Sacramento 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 County of Sacramento 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

The County of Sacramento, 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. Sacramento 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. Sacramento 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 Sacramento County was \$365,000 in September 2018, an increase of approximately 7.6 percent from \$339,250 in September 2017.

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 \$360,000 in September 2018, an increase of approximately 10.1 percent from \$327,000 in September 2017.

Population

The following table displays estimated population as of January 1 for the past five years for the City, Sacramento County and the State.

**Historical Population
City of Galt, County of Sacramento and State of California**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
City of Galt	24,342	24,615	24,942	25,393	26,018
County of Sacramento	1,465,964	1,481,969	1,495,611	1,513,415	1,529,501
State of California	38,568,628	38,912,464	39,179,627	39,500,973	39,809,693

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 \$50,197 in Sacramento County in 2017, an increase of 2.8 percent from 2016 levels, compared to an increase of 4.0 percent statewide and 3.6 percent nationally. The following table shows PCPI for Sacramento County as well as for the State and the United States for the past five years for which data is available.

***Per Capita Personal Income*
County of Sacramento, State of California and United States**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
County of Sacramento	\$42,887	\$45,148	\$47,811	\$48,850	\$50,197
State of California	49,173	52,237	55,679	57,497	59,796
United States	44,826	47,025	48,940	49,831	51,640

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 most recent month available in the current year, not seasonally adjusted.

Historical Unemployment City of Galt

	<u>Annual 2014</u>	<u>Annual 2015</u>	<u>Annual 2016</u>	<u>Annual 2017</u>	<u>September 2018¹</u>
Total Labor Force	10,900	11,000	11,200	10,900	11,300
Number of Employed	10,000	10,200	10,500	10,400	10,800
Number of Unemployed	900	800	700	500	400
Unemployment Rate	8.6%	7.0%	6.3%	4.8%	3.7%

¹Preliminary.

Source: State Employment Development Department.

The following table contains a summary of Sacramento County's historical unemployment data for the past four years and for the most recent month available in the current year, not seasonally adjusted.

Historical Unemployment County of Sacramento

	<u>Annual 2014</u>	<u>Annual 2015</u>	<u>Annual 2016</u>	<u>Annual 2017</u>	<u>September 2018¹</u>
Total Labor Force	680,400	685,900	697,400	701,900	706,800
Number of Employed	630,700	644,900	660,100	669,300	681,400
Number of Unemployed	49,700	41,000	37,300	32,600	25,400
Unemployment Rate	7.3%	6.0%	5.4%	4.6%	3.6%

¹Preliminary.

Source: State Employment Development Department.

Employment by Industry

The following table shows labor patterns by type of industry from 2013 through 2017 by annual average, not seasonally adjusted, in Sacramento County.

Historical Employment by Industry County of Sacramento

<u>Title</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total, All Industries	587,800	599,800	617,700	637,500	647,700
Total Farm	2,600	2,600	2,700	3,000	3,100
Total Nonfarm	585,200	597,200	614,900	634,500	644,500
Goods Producing	48,100	49,900	51,900	54,800	56,800
Mining and Logging	200	200	100	100	200
Construction	27,100	28,500	31,000	33,500	35,500
Manufacturing	20,900	21,300	20,800	21,100	21,100
Durable Goods	14,000	14,200	14,200	14,000	13,700
Nondurable Goods	6,900	7,100	6,700	7,200	7,300
Service Providing	537,000	547,300	563,000	579,700	587,800
Trade, Transportation & Utilities	87,200	87,500	90,800	94,400	95,700
Wholesale Trade	15,500	15,200	15,100	15,900	16,400
Retail Trade	59,000	59,300	62,100	64,100	64,800
Transportation, Warehousing & Utilities	12,700	13,000	13,600	14,400	14,600
Information	11,000	10,200	10,000	9,700	8,500
Financial Activities	31,500	31,200	32,700	33,000	33,100
Finance & Insurance	23,500	23,000	24,400	24,200	24,100
Real Estate & Rental & Leasing	8,000	8,200	8,300	8,700	9,100
Professional & Business Services	86,100	88,100	88,400	93,900	95,400
Professional, Scientific & Technical Services	37,700	38,300	39,200	39,900	40,300
Management of Companies & Enterprises	7,700	7,600	7,600	8,400	9,300
Administrative & Support & Waste Services	40,700	42,100	41,600	45,500	45,800
Educational & Health Services	91,200	93,300	98,300	101,800	105,900
Leisure & Hospitality	53,700	56,000	58,700	60,800	62,300
Arts, Entertainment & Recreation	7,700	7,600	7,600	8,000	8,300
Accommodation & Food Services	46,000	48,400	51,100	52,800	54,000
Other Services	19,600	20,300	20,800	21,600	21,700
Government	156,700	160,700	163,300	164,600	165,100
Federal Government	9,800	9,900	10,000	10,300	10,300
State Government	83,600	86,500	87,900	88,500	89,600
Local Government	63,400	64,400	65,400	65,800	65,200

Figures may not foot due to rounding.

Source: State Employment Development Department.

Major Employers

The following table provides a list of 10 major employers, corresponding number of employees and percent of total employment in the City for fiscal year 2016-17.

**Major Employers
City of Galt**

	<u>Employer</u>	<u>Number of Employees</u>	<u>Percent of Employment</u>
1	Galt Joint Union Elementary District	524	29.44%
2	Walmart	246	13.82
3	Galt High School District	232	13.03
4	City of Galt	188	10.56
5	Building Materials District	174	9.78
6	Cardinal Glass	151	8.48
7	Consolidated Fabricators	72	4.04
8	Raley's	72	4.04
9	McDonald's	61	3.43
10	Savemart Supermarkets	<u>60</u>	3.37

Source: City of Galt, Comprehensive Annual Financial Report for the Year Ended June 30, 2017.

The following table provides a list of 10 major employers, corresponding number of employees and percent of total employment in Sacramento County for fiscal year 2016-17.

**Major Employers
County of Sacramento**

	<u>Employer</u>	<u>Number of Employees</u>	<u>Percent of Total County Employment</u>
1	State of California	74,462	11.23%
2	Sacramento County	12,514	1.89
3	Kaiser Permanente	10,517	1.59
4	UC Davis Health System	10,322	1.58
5	UC Government	9,911	1.56
6	Sutter Health	8,039	1.49
7	Dignity Health	6,000	1.21
8	Intel Corporation	5,000	0.90
9	Apple, Inc.	4,620	0.75
10	Elk Grove Unified School District	4,458	0.70

Source: County of Sacramento, Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2017.

Commercial Activity

Total taxable sales during calendar year 2016 in the City were reported to be \$190,956,000, a 7.15 percent increase from the total taxable sales of \$178,222,000 reported during calendar year 2015.

The number of establishments selling merchandise subject to sales tax and the valuation of taxable transactions in the City for the past five years are presented in the following table. Data for calendar year 2017 is not yet available.

**Taxable Retail Sales
City of Galt**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Sales Tax Permits	1,465	1,346	1,275	n/a ¹	n/a ¹
Taxable Sales (000's)	\$128,854	\$136,186	153,386	178,222	\$190,956

¹Beginning in 2015, the reporting criteria for the number of permits/outlets changed, making the data not comparable to prior years.

Source: State Board of Equalization.

Total taxable sales during calendar year 2016 in Sacramento County were reported to be \$23,184,499,000, a 5.18 percent increase from the total taxable sales of \$22,043,195,000 reported during calendar year 2015.

The number of establishments selling merchandise subject to sales tax and the valuation of taxable transactions in Sacramento County for the past five years are presented in the following table. Data for calendar year 2017 is not yet available.

**Taxable Retail Sales
County of Sacramento**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Sales Tax Permits	31,507	31,709	32,143	n/a ¹	n/a ¹
Taxable Sales (000's)	\$19,089,848	\$20,097,095	\$21,061,901	\$22,043,195	\$23,184,499

¹Beginning in 2015, the reporting criteria for the number of permits/outlets changed, making the data not comparable to prior years.

Source: State Board of Equalization.

Construction Activity

Estimated new privately owned residential housing units authorized by building permits and total construction costs in Sacramento County for the past five years for which data is available are shown in the following table.

**New Residential Building Permits
County of Sacramento**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Single-Family Residential Units	1,762	1,680	2,261	2,681	3,159
Multi-Family Residential Units	<u>139</u>	<u>81</u>	<u>749</u>	<u>669</u>	<u>1,669</u>
Total New Building Permits	1,901	1,761	3,010	3,350	4,828
Total Construction Costs	\$505,728,860	\$439,041,222	\$711,956,461	\$808,875,635	\$1,115,114,693

Source: U.S. Bureau of the Census, Building Permit Estimates.

THE DISTRICT

It should not be inferred from the inclusion of the information in this section concerning the operations of the District and its finances 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.

All tables included in this section "THE DISTRICT" are from the District unless a source is otherwise indicated.

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 in the southern portion of Sacramento County and a small part of the northern portion of San Joaquin County. The District serves a population of approximately 30,600 people residing in the City and surrounding areas. The District provides education to approximately 3,640 students in transitional kindergarten through sixth grade. The District operates five elementary schools and one middle school as well as a preschool program.

The District Board of Education 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 (one of the five District Board positions is currently vacant). Each member of the District Board 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 the members each year.

The 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 Education
Galt Joint Union Elementary School District**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
John Gordon	President	December 2020
Grace Malson	Vice President	December 2022
Matthew Felix	Clerk	December 2020
Wesley Cagle	Representative	December 2022
Vacant ¹	Representative	December 2022

¹Thomas Silva has been elected to fill the vacant District Board position and is expected to become an official member of the District Board on December 7, 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 current fiscal year estimated P-2 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>	<u>2017-18¹</u>	<u>2018-19²</u>
Total P-2 ADA	3,656	3,643	3,537	3,507	3,460	3,468	3,468

¹Unaudited.

²Estimated as of the fiscal year 2018-19 adopted budget.

Charter Schools

Charter schools can adversely affect school district funding, either by reducing funded enrollment at the school district or, for community-funded districts, by increasing the in-lieu property tax transfer. 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.

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 agents representing its employees. The Galt Elementary Faculty Association (“GEFA”) represents non-management certificated employees 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”) budgeted for fiscal year 2018-19 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	204	Settled for fiscal year 2018-19
CSEA #362	207	Settled for fiscal year 2018-19

The District has an additional 37 management and confidential FTEs not represented by a bargaining unit budgeted for fiscal year 2018-19.

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—AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE YEAR ENDED JUNE 30, 2017” 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 to beneficiaries. Benefits are based on members’ final compensation, age and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service.

Prior to fiscal year 2014-15, and unlike typical defined benefit programs, none of the employee, employer nor State contribution rates to the STRS Defined Benefit Program varied annually to make up funding shortfalls or assess credits for actuarial surpluses. In recent years, the combined employer, employee and State contributions to the STRS Defined Benefit Program have not been sufficient to pay actuarially required amounts. As a result, and due to significant investment losses, the unfunded actuarial liability of the STRS Defined Benefit Program has increased significantly in recent fiscal years. In September 2013, STRS projected that the STRS Defined Benefit Program would be depleted in 31 years assuming existing

contribution rates continued, and other significant actuarial assumptions were realized. In an effort to reduce the unfunded actuarial liability of the STRS Defined Benefit Program, in 2014 the State passed the legislation described below to increase contribution rates.

Prior to July 1, 2014, K-14 school districts were required by statute to contribute 8.25 percent of eligible salary expenditures, while participants contributed 8.0 percent of their respective salaries. On June 24, 2014, the Governor signed AB 1469 (“AB 1469”) into law as a part of the State’s fiscal year 2014-15 budget. AB 1469 sought to fully fund the unfunded actuarial obligation with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 (the “2014 Liability”), within 32 years, by increasing member, K-14 school district and State contributions to STRS. Commencing on July 1, 2014, the employee contribution rate increased over a three-year phase-in period. Pursuant to the California Public Employees’ Pension Reform Act of 2013, the contribution rates for members hired after January 1, 2013 will be adjusted if the normal cost increases by more than one percent since the last time the member contribution was set. The following table sets forth STRS member contribution rates for the past four years and the current year.

**Member Contribution Rates
STRS (Defined Benefit Program)**

<u>Effective Date</u>	<u>STRS Members Hired Prior to January 1, 2013</u>	<u>STRS Members Hired On or after January 1, 2013</u>
July 1, 2014	8.150%	8.150%
July 1, 2015	9.200	8.560
July 1, 2016	10.250	9.205
July 1, 2017	10.250	9.205
July 1, 2018	10.250	10.205

Sources: AB 1469 and STRS.

Pursuant to AB 1469, K-14 school districts’ contribution rate will increase over a seven-year phase in period in accordance with the schedule set forth in the following table.

**Member Contribution Rates
STRS (Defined Benefit Program)**

<u>Effective Date</u>	<u>K-14 School Districts¹</u>
July 1, 2014	8.88%
July 1, 2015	10.73
July 1, 2016	12.58
July 1, 2017	14.43
July 1, 2018	16.28
July 1, 2019	18.13
July 1, 2020	19.10

¹Percentage of eligible salary expenditures to be contributed.

Source: AB 1469.

Based upon the recommendation from its actuary, for fiscal year 2021-22 and each fiscal year thereafter, the STRS Teachers’ Retirement Board (the “STRS Board”) is required to increase or decrease the K-14 school districts’ contribution rate to reflect the contribution required to eliminate the remaining 2014 Liability by June 30, 2046; provided that the rate cannot change in any fiscal year by more than one percent of creditable compensation upon which members’ contributions to the STRS Defined Benefit Program are based; and provided further that such contribution rate cannot exceed a maximum of 20.25 percent. In addition to the increased contribution rates discussed above, AB 1469 also requires the STRS Board to report to the State Legislature every five years (commencing with a report due on or before July 1, 2019) on the fiscal health of the STRS Defined Benefit Program and the unfunded actuarial obligation with respect to service credited to members of that program

before July 1, 2014. The reports are also required to identify adjustments required in contribution rates for K-14 school districts and the State in order to eliminate the 2014 Liability.

The State also contributes to STRS, currently in an amount equal to 7.328 percent of covered STRS member payroll for fiscal year 2018-19. The State’s contribution reflects a base contribution rate of 2.017 percent, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State’s contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990. In addition, the State is currently required to make an annual general fund contribution up to 2.5 percent of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the “SBPA”), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85 percent of the purchasing power of their initial allowance.

The District’s actual STRS contributions for fiscal years 2011-12 through 2017-18 and budgeted STRS contributions for fiscal year 2018-19 are set forth in the following table.

**STRS Employer Contributions
Galt Joint Union Elementary School District**

Fiscal Year	District Contribution Rate	District Contributions ¹	Total District Governmental Funds Expenditures	District Contributions as Percentage of Total Governmental Funds Expenditures
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	12.58	2,328,603	44,716,674	5.21
2017-18 ²	14.43	4,219,862 ⁴	46,998,138	8.98
2018-19 ³	16.28	4,617,046 ⁵	46,404,414	9.95

¹In each instance equal to 100 percent of the required contribution.

²Unaudited.

³Budgeted as of the fiscal year 2018-19 adopted budget.

⁴Includes 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 2017-18 to ____ percent.

⁵Includes 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 2018-19 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. Benefits are based on years of service credit, a benefit factor and the member’s final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 55 with benefits equal to 2.0 percent of final compensation for each year of service credit. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 62 with benefits equal to 2.0 percent of final compensation for each year of service credit. All members are eligible for non-duty disability benefits after five years of service. 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, and for fiscal year 2018-19 the rate is also 7.0 percent. The District is required to pay an actuarially determined rate.

The District's actual PERS contributions for fiscal years 2011-12 through 2017-18 and budgeted PERS contributions for fiscal year 2018-19 are set forth in the following table.

**PERS Employer Contributions
Galt Joint Union Elementary School District**

Fiscal Year	District Contribution Rate	District Contributions ¹	Total District Governmental Funds Expenditures	District Contributions as Percentage of Total Governmental Funds Expenditures
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	13.888	875,561	44,716,674	1.96
2017-18 ²	15.531	1,012,437	46,998,138	2.15
2018-19 ³	18.062	1,226,660	46,404,414	2.64

¹In each instance equal to 100 percent of the required contribution.

²Unaudited.

³Budgeted as of the fiscal year 2018-19 adopted budget.

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, 2017 is the entry age normal cost method, and assumes, among other things, a 7.0 percent investment rate of return, 3.0 percent interest on member accounts, projected 2.75 percent inflation, and projected payroll growth of 3.5 percent.

The following table shows the statewide funding progress of the STRS plan for the previous seven years.

**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
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
2016	169,976	266,704	96,728	64	30,324	319
2017	179,689	286,950	107,261	63	n/a	n/a

¹Dollars in millions.

Source: California State Teachers' Retirement System, Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2017; California State Teachers' Retirement System, Defined Benefit Program Actuarial Valuation for Fiscal Year Ended June 30, 2017.

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 Schools Pool Actuarial Valuation as of June 30, 2017 (the “2017 PERS Actuarial Valuation”) is the entry age normal cost method, and assumes, among other things, a 7.375 percent investment rate of return and projected 2.75 percent inflation; projected payroll growth varies by entry age and service.

In December 2016, PERS approved a plan to reduce the assumed investment rate of return from 7.5 percent to 7.0 percent over a three-year period. Based on the 2017 PERS Actuarial Valuation, the three-year phased in reduction of the discount rate is currently projected to result in a 25.5 percent employer contribution rate by fiscal year 2023-24. Such projections contained in the 2017 PERS Actuarial Valuation assume that all other actuarial assumptions will be realized and no changes to assumptions, contributions, benefits or funding will occur during the projected period.

The following table shows the statewide funding progress of the PERS plan for the previous seven years.

**Funding Progress
Public Employees’ Retirement System (PERS)¹**

<u>Actuarial Valuation Date as of June 30</u>	<u>Market Value of Plan Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Total Unfunded Actuarial Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Liability as a Percentage of Payroll</u>
2011	\$45,901	\$58,358	\$12,457	78.7%	\$10,540	118.2%
2012	44,854	59,439	14,585	75.5	10,242	142.4
2013	49,482	61,487	12,005	80.5	10,424	115.2
2014	56,838	65,600	8,761	86.6	11,294	77.6
2015	56,814	73,325	16,511	77.5	12,098	136.5
2016	55,785	77,544	21,759	71.9	13,022	167.1
2017	60,865	84,416	23,551	72.1	13,683	172.1

¹Dollars in millions.

Source: California Public Employees’ Retirement System, Schools Pool Actuarial Valuation as of June 30, 2017.

For the year ended June 30, 2017, the District’s combined recognized pension expense was \$3,702,173. The District’s net pension liability (“NPL”) as of June 30, 2017 was \$38,789,082.

The District’s proportionate share of the State net pension liability as reported in the audited financial statements for fiscal years 2014-15, the first year for which the data was provided, through 2016-17 are set forth in the following tables.

**Proportionate Share of the Net Pension Liability – STRS
Galt Joint Union Elementary School District**

<u>Fiscal Year</u>	<u>Proportion of Statewide Net Pension Liability</u>	<u>Proportionate Share of Statewide Net Pension Liability</u>	<u>Covered Employee Payroll</u>	<u>Proportionate Share of Statewide Liability as Percentage of Covered Employee Payroll</u>	<u>Fiduciary Net Position as Percentage of Total Pension Liability</u>
2014-15	0.039%	\$22,790,430	\$17,050,352	133.7%	76.5%
2015-16	0.039	26,425,515	18,108,164	145.9	74.0
2016-17	0.036	29,164,417	18,428,449	158.3	70.0

**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 Statewide Liability as Percentage of Covered Employee Payroll	Fiduciary Net Position as Percentage of Total Pension Liability
2014-15	0.050%	\$5,676,217	\$5,277,886	107.5%	83.4%
2015-16	0.049	7,274,020	5,479,526	132.7	79.4
2016-17	0.049	9,624,665	6,301,273	152.7	73.9

The District is unable to predict the future amount of State pension liabilities and the amount of required District contributions. Pension plan, annual contribution requirements and liabilities are more fully described in “APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE YEAR ENDED JUNE 30, 2017” 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.

On June 2, 2015, GASB approved *Statement No. 74 Financial Reporting for Post Employment Benefit Plans Other Than Pension Plans* (“GASB 74”) and *Statement No. 75 Accounting and Financial Reporting for Post Employment Benefits Other Than Pensions* (“GASB 75”) with respect to pension accounting and financial reporting standards for public sector post-retirement benefit programs and the employers that sponsor them. GASB 74 and GASB 75 replace GASB Statements No. 43, 57 and 45.

GASB 74 and GASB 75 require a liability for OPEB obligations, known as the net OPEB liability (the “NOL”), to be recognized on the balance sheet of the plan and the participating employer’s financial statements. In addition, an OPEB expense will be recognized in the income statement of the participating employers. In the notes to its financial statements, employers providing OPEB will also have to include information regarding the year-to-year change in the NOL and a sensitivity analysis of the NOL to changes in the discount rate and healthcare trend rate. GASB 74 and GASB 75 are directed at quantifying and disclosing OPEB obligations, and do not impose any requirement on public agencies to fund such obligations.

GASB 74 has an effective date for plan fiscal years beginning after June 15, 2016, and GASB 75 will be effective for employer fiscal years beginning after June 15, 2017. The District will first recognize GASB 74 and GASB 75 in their financial statements for fiscal year 2017-18.

The District completed an actuarial study consistent with GASB 74 and GASB 75 assessing the District’s OPEB liability as of June 30, 2018 (the “OPEB Actuarial Study”). Based on the OPEB Actuarial Study, the District’s total actuarial present value of projected benefit payments (the “APVPBP”) as of June 30, 2018 was \$8,437,905. The APVPBP is the estimated present value of all future retiree health benefits for all current employees and retirees. The APVPBP is an actuarial estimate that depends on a variety of assumptions about future events, such as health care costs and beneficiary mortality. The APVPBP is divided into two parts: the portion attributable to service rendered prior to the measurement date (the past service liability or total OPEB liability (the “TOL”)) and the portion attributable to service after the measurement date but prior to retirement (the future service liability). The OPEB Actuarial Study calculated the TOL to be \$4,856,415. As of the date of the report, the District has not set aside moneys in an irrevocable trust with which to pay the TOL, consequently, the OPEB Actuarial Study calculated the NOL also to be \$4,856,415.

While the District has not set aside moneys in an irrevocable trust to pay OPEB, the District has established a Special Reserve Fund for Postemployment Benefits (the “Special Reserve for OPEB”) for the purpose of paying future OPEB expenses. Funds in the Special Reserve for OPEB can be used purposes other than paying OPEB upon District Board action. As of June 30, 2018, the District had \$261,069 in its Special Reserve for OPEB.

Every year, active employees earn additional future benefits, an amount known as the “service cost,” which is added to the NOL. The OPEB Actuarial Study calculates the service cost in fiscal year 2018-19 to be \$330,222. The service cost would increase each year based on covered payroll. The OPEB Actuarial Study calculates the District’s OPEB expense for fiscal year 2017-18 to be \$495,800. The OPEB expense is the amount recognized in accrual basis financial statements as the current period expense. The OPEB expense includes the service cost, interest and certain changes in the NOL, adjusted to reflect deferred inflows and outflows.

The District funds its OPEB liability on a “pay-as-you go” basis. The District paid \$235,720 in OPEB in fiscal year 2016-17, paid \$212,285 in OPEB in fiscal year 2017-18 (unaudited) and has budgeted paying \$190,900 in OPEB in fiscal year 2018-19 as of the adopted budget. The OPEB Actuarial Study projects that the District’s “pay-as-you-go” OPEB expenditure would increase to \$407,494 in fiscal year 2027-28 based on the assumptions used in the OPEB Actuarial Study. See “APPENDIX A— AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE YEAR ENDED JUNE 30, 2017” for additional information regarding the District’s OPEB.

DISTRICT FINANCIAL INFORMATION

It should not be inferred from the inclusion of the information in this section concerning the operations of the District and its finances 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.

All tables in this section “DISTRICT FINANCIAL INFORMATION” are from the District unless a source is otherwise indicated.

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 2016-17 was Christy White Associates, San Diego, California (the “Auditor”). The financial statements of the District as of and for the year ended June 30, 2017, 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 been engaged to perform and has not performed, since the date of its report attached hereto, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

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 and county offices of education is July 1 to June 30. 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 Public Instruction (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 10 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 10 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 for each of the District’s interim reports for the previous 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>
2013-14	Positive	Positive
2014-15	Positive	Positive
2015-16	Positive	Positive
2016-17	Positive	Positive
2017-18	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 ended June 30, 2017, have been included in “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 2016-17.

General Fund Balance Sheet
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>Audited</u>
Assets					
Cash	\$2,893,623	\$1,067,973	\$5,106,881	\$7,882,610	\$7,694,514
Accounts Receivable	7,068,604	5,661,971	1,949,550	2,574,133	1,338,282
Due from Other Funds	86,506	146,400	118,810	247,888	153,647
Prepaid Expenditures	<u>4,524</u>	<u>1,283</u>	<u>9,048</u>	<u>5,744</u>	<u>4,787</u>
Total Assets	\$10,053,257	\$6,877,627	\$7,184,289	\$10,710,375	\$9,191,230
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$1,643,245	\$1,816,325	\$2,306,717	\$2,420,267	\$2,242,483
Due to Other Funds	\$174,972	9,946	28,418	438,154	446,773
Deferred Revenue	\$62,436	6,463	33,821	0	19,550
Tax Revenue Anticipation Notes	<u>\$4,150,000</u>	<u>1,200,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	\$6,030,653	\$3,032,734	\$2,368,956	\$2,858,421	\$2,708,806
Fund Balances					
Nonspendable	\$24,524	\$21,283	\$29,048	\$25,745	\$24,787
Restricted	\$386,890	1,083,234	655,934	1,395,263	1,415,685
Assigned	\$570,128	316,418	675,571	3,149,179	3,824,179
Unassigned	<u>3,041,062</u>	<u>2,423,958</u>	<u>3,454,780</u>	<u>3,281,767</u>	<u>1,217,773</u>
Total Fund Balances	\$4,022,604	\$3,844,893	\$4,815,333	\$7,851,954	\$6,482,424
Total Liabilities and Fund Balances	\$10,053,257	\$6,877,627	\$7,184,289	\$10,710,375	\$9,191,230

The following table sets forth the District's audited General Fund activity for fiscal years 2014-15 through 2016-17, unaudited activity for fiscal year 2017-18 and budgeted activity for fiscal year 2018-19 as of the adopted budget.

General Fund Activity¹
Galt Joint Union Elementary School District

	2014-15 <u>Audited</u>	2015-16 <u>Audited</u>	2016-17 <u>Audited</u>	2017-18 <u>Unaudited</u>	2018-19 <u>Budgeted</u>
Beginning Balance	\$3,844,893	\$4,815,333	\$7,851,954	\$6,482,424	\$4,082,576
Balance in Special Reserve for OPEB ¹	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>(257,363)</u>	<u>(261,069)</u>
Adjusted Beginning Balance	\$3,844,893	\$4,815,333	\$7,851,954	\$6,225,061	\$3,821,507
Revenues					
Revenue Limit/LCFF	\$26,323,682	\$28,775,170	\$30,065,455	\$30,133,824	\$31,538,490
Federal Revenue	4,603,733	3,981,500	2,718,605	3,018,766	2,669,938
Other State Revenues	2,557,840	5,059,242	3,860,764	3,752,958	3,662,591
Other Local Revenues	<u>2,504,000</u>	<u>2,778,495</u>	<u>2,711,264</u>	<u>2,674,893</u>	<u>2,520,637</u>
Total Revenues	35,989,255	\$40,594,407	\$39,356,088	\$39,580,441	\$40,391,656
Expenditures					
Certificated Salaries	\$18,440,296	\$18,581,071	\$18,857,398	\$18,894,332	\$18,978,442
Classified Salaries	6,192,779	6,476,171	7,015,627	7,175,142	7,498,269
Employee Benefits	6,250,707	6,807,651	8,266,407	8,752,182	9,493,588
Books and Supplies	1,611,204	1,674,470	1,948,224	2,764,545	1,796,443
Services/Other Operating Exp.	2,588,061	3,513,039	3,706,781	4,029,220	3,496,646
Capital Outlay	155,424	272,224	375,051	107,684	526,110
Other Outgo	(67,563)	(74,828)	(19,042)	2,177	(17,271)
Debt Service	15,462	42,867	0	0	0
Audit Adjustment	<u>0</u>	<u>0</u>	<u>164,058</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$35,186,370	\$37,292,665	\$40,314,504	\$41,725,281	\$41,772,228
Other Financing Sources	\$167,555	(\$265,121)	(\$411,114)	(\$258,713)	(\$235,000)
Net Increase (Decrease)	\$970,440	\$3,036,621	(\$1,369,530)	(\$2,403,554)	(\$1,615,572)
Ending Balance	\$4,815,333	\$7,851,954	\$6,482,424	\$3,821,507	\$2,205,936
Balance in Special Reserve for OPEB ¹	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>261,069</u>	<u>264,775</u>
Ending Balance, GAAP Basis	\$4,815,333	\$7,851,954	\$6,482,424	\$4,082,576	\$2,470,711

¹The District has implemented GASB *Statement No. 54, Fund Balance Reporting and Government Type Definitions* ("GASB 54"), the effect of which was to reclassify and restate the Special Reserve for OPEB within the General Fund. However, the District's internal reporting, including the fiscal year 2017-18 unaudited actuals and the adopted budget for fiscal year 2018-19, does not reflect the implementation of GASB 54 and therefore does not include activity within the Special Reserve for OPEB.

Totals may not foot due to rounding.

Revenues

The District categorizes its General Fund revenues into four primary sources: LCFF, federal revenues, other State revenues and other local revenues.

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"), originally scheduled to be phased in over eight years through fiscal year 2020-21. LCFF consolidated 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. In fiscal year 2017-18, approximately 60.29 percent of the District's students were unduplicated students for LCFF calculation purposes. 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 2017-18, the District's LCFF funding at full implementation was calculated to be \$30,712,360, comprised of \$26,540,511 in base grant funding, \$3,200,255 in supplemental grant funding, \$701,996 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 2018-19, the State has budgeted funding 100 percent of the remaining gap. In fiscal year 2017-18, the District received \$29,591,274 as its floor entitlement and \$481,691 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 funded ADA by grade span, total enrollment, and the percentage of unduplicated student enrollment for fiscal years 2013-14 through 2017-18, and estimated data for fiscal year 2018-19.

**Funded ADA, Enrollment and Unduplicated Student Enrollment Percentage
Galt Joint Union Elementary School District**

<u>Fiscal Year</u>	<u>Funded ADA Grades TK-3</u>	<u>Funded ADA Grades 4-6</u>	<u>Funded ADA Grades 7-8</u>	<u>Total Funded ADA</u>	<u>Total Enrollment¹</u>	<u>Unduplicated Student Enrollment Percentage²</u>
2013-14	1,596	1,223	845	3,664	3,785	67.21%
2014-15	1,559	1,243	848	3,650	3,693	65.96
2015-16	1,468	1,264	812	3,545	3,651	64.68
2016-17	1,435	1,272	802	3,509	3,616	62.24
2017-18	1,461	1,126	893	3,481	3,644	60.29
2018-19 ³	1,467	1,122	880	3,469	3,651	59.24

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.

³Estimated as of the fiscal year 2018-19 adopted budget.

Set forth in the following table is the District’s actual LCFF funding per ADA for fiscal years 2013-14 through 2017-18 and estimated LCFF funding per ADA for fiscal year 2018-19.

**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 Implementation²</u>
2013-14	3,664	\$6,481	\$8,890
2014-15	3,650	7,211	8,893
2015-16	3,545	8,118	8,909
2016-17	3,509	8,493	8,777
2017-18	3,481	8,640	8,824
2018-19 ³	3,469	9,092	9,092

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.

³Estimated as of the fiscal year 2018-19 adopted budget.

Funding of the District’s LCFF is accomplished by a mix of a) local taxes (composed predominantly of property taxes, and including miscellaneous taxes and certain community redevelopment funds, if any) and b) State apportionments. The majority of the District’s LCFF funding comes from State apportionments.

LCFF revenues were 76.4 percent of General Fund revenues in fiscal year 2016-17, were 76.1 percent of General Fund revenues in fiscal year 2017-18 (unaudited), and are budgeted to be 78.1 percent of General Fund revenues in fiscal year 2018-19 as of the adopted budget.

Federal Revenues. The federal government provides funding for several District programs. These federal revenues, most of which historically have been restricted, were 6.9 percent of General Fund revenues in fiscal year 2016-17, were 7.6 percent of General Fund revenues in fiscal year 2017-18 (unaudited), and are budgeted to be 6.6 percent of General Fund revenues in fiscal year 2018-19 as of the adopted budget.

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 9.8 percent of General Fund revenues in fiscal year 2016-17, were 9.5 percent of General Fund revenues in fiscal year 2017-18 (unaudited), and are budgeted to be 9.1 percent of General Fund revenues in fiscal year 2018-19 as of the adopted budget. Included in other State revenues are proceeds received from the State from the State lottery. The District does not receive pass-through payments from the dissolution of redevelopment agencies.

Other Local Revenues. Revenues from other local sources were 6.9 percent of General Fund revenues in fiscal year 2016-17, were 6.8 percent of General Fund revenues in fiscal year 2017-18 (unaudited), and are budgeted to be 6.2 percent of General Fund revenues in fiscal year 2018-19 as of the adopted budget.

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.

Employee salaries and benefits were 84.7 percent of General Fund expenditures in fiscal year 2016-17, were 83.5 percent of General Fund expenditures in fiscal year 2017-18 (unaudited), and are budgeted to be 86.1 percent of General Fund expenditures in fiscal year 2018-19 as of the adopted budget.

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, 2017, the District had \$107,147 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 \$5,085,000 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.

The 2016 Election. At the 2016 Election, more than 55 percent of the votes received from qualified voters within the boundaries of the District approved Measure K authorizing the issuance of not-to-exceed \$19,700,000 aggregate principal amount of general obligation bonds to finance authorized school improvement measures. In June 2017, the District issued the 2017 Bonds. The Bonds represent the second and final series of bonds to be issued pursuant to the authorization of the 2016 Election.

The following table summarizes the District’s outstanding long-term indebtedness as of October 1, 2018.

Outstanding General Obligation Bonds Galt Joint Union Elementary School District

<u>Authorization</u>	<u>Issue</u>	<u>Final Maturity</u>	<u>Principal Amount Issued</u>	<u>Outstanding Principal as of November 30, 2018¹</u>	<u>Debt Service in Fiscal Year 2018-19</u>
2001 Election	Series 2002 Bonds	August 1, 2026	\$9,238,684	\$258,684	\$0
2001 Election	2012 Refunding Bonds	August 1, 2024	7,880,000	4,695,000	707,500
2016 Election	Series 2017 Bonds	August 1, 2046	<u>9,600,000</u>	<u>9,180,000</u>	<u>786,725</u>
		Total	\$26,718,684	\$14,133,684	\$1,494,225

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. The District’s 2016 Election (as defined herein) was conducted pursuant to Proposition 39.

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 10 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 XIIC and XIID of the State Constitution

Articles XIIC and XIID, 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 XIIA, 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.

Article XIIC also provides that the initiative power shall not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. A portion of the District's revenues are received annually from property taxes. The State Constitution and the laws of the State impose a mandatory, statutory duty on the Sacramento County Director of Finance to levy a property tax sufficient to pay debt service on the Bonds coming due in each year. There is no court case which directly addresses whether the initiative power may be used to reduce or repeal the *ad valorem* taxes pledged to repay general obligation bonds. In the case of *Bighorn-Desert View Water Agency v. Virjil (Kelley)* (the "Bighorn Decision"), the California Supreme Court held that water service charges may be reduced or repealed through a local voter initiative subject to Article XIIC. The Supreme Court did state that it was not holding that the initiative power is free of all limitations. Such initiative power could be subject to the limitations imposed on the impairment of contracts under the contract clause of the United States Constitution. Legislation adopted in 1997 provides that Article XIIC shall 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 United States Constitution.

The initiative power can be used to reduce or repeal most local taxes, assessments, fees and charges. Article XIID 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. The amount of the minimum guarantee is not finalized until the final economic analysis is completed for a fiscal year; if the revisions result in a higher minimum guarantee than was budgeted, the State makes a one-time “settle-up” payment and uses the increased minimum to calculate the subsequent year’s funding, as described below. If the revised minimum guarantee is lower than budgeted, the State can use the higher level or make mid-year adjustments to reduce funding.

“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, in which the amount of the minimum guarantee is based on the share of the State general fund revenue spent on K-14 education funding in fiscal year 1986-87, 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 four times in the last 30 years, including fiscal year 2014-15.

“Test 2” (change in *per capita* personal income) provides that K-14 school districts receive the same amount of funding received in the prior year, adjusted for year-over-year statewide changes in K-12 attendance and *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 15 of the past 30 years, including fiscal years 2017-18 and 2018-19.

“Test 3” (change in general fund revenue) provides that K-14 school districts receive the same amount of funding received in the prior year, adjusted for year-over-year statewide changes in K-12 attendance and general fund revenue; this calculation is only used if the percentage change in *per capita* State general fund revenue is less than the change in *per capita* personal income. Test 3 has been used in nine of the past 30 years, including fiscal years 2015-16 and 2016-17.

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 creates a maintenance factor obligation when Test 3 is operative or when the minimum guarantee is suspended. In any year in which Test 3 is used, the difference between the actual amount of funding provided and the amount that would have been appropriated, under the larger amount of either Test 1 or 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. The State constitution requires the maintenance factor be paid off in annual amounts determined by formula, with stronger revenue growth generally requiring larger payments.

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.

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.

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 enacted 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.

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 (the "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 (the "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 the BSA only for a disaster-related emergency or a fiscal emergency (which occurs if estimated resources in the current or upcoming fiscal year are insufficient to keep spending at the level of the prior three budgets adjusted for inflation and population). 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.

Senate Bill 858 (2014), enacted as trailing legislation to the fiscal year 2014-15 State budget, required K-12 school districts, in the event of a deposit by the State to the PSSSA, to reduce total assigned and unassigned reserves in the following year to no more than twice its minimum reserve for economic uncertainties, ranging from one to five percent of expenditures depending on the size of the school district. Senate Bill 751 (2018), signed into law on October 11, 2017 and effective January 1, 2018, makes certain changes to the cap on school district reserves, increasing both the State PSSSA deposit amount required to

trigger the reserve cap (to three percent of State general fund revenues appropriated for K-12 school districts), and increasing the cap on individual school district reserves (to 10 percent of combined assigned and unassigned ending general fund balances). In addition, basic aid school districts and small school districts with fewer than 2,501 students are exempted from the cap. County education officials can 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 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 paid \$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).

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. According to the State Legislative Analyst’s Office (the “LAO”), State funding accounted for approximately 62 percent of the State’s K-12 public education funding in fiscal year 2016-17 and approximately 61 percent in fiscal year 2017-18, and is budgeted to account for approximately 61 percent of funding in fiscal year 2018-19. 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 (85 percent in fiscal year 2016-17) 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 2018-19 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 10 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.

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. “Community-funded” 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.

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 system, 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 2018-19, the adjusted base grants are \$8,235 for kindergarten through third grade, \$7,571 for fourth through sixth grade, \$7,796 for seventh through eighth grade, and \$9,269 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, but budgeted to be completed ahead of schedule in fiscal year 2018-19. 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 the deficated revenue limit for fiscal year 2012-13 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 remaining gap in fiscal year 2014-15, 53 percent of the remaining gap in fiscal year 2015-16, 57 percent of the remaining gap in fiscal year 2016-17, 43 percent of the remaining gap in fiscal year 2017-18, and 100 percent of the remaining gap in fiscal year 2018-19 (budgeted), bringing LCFF to full implementation in the sixth year of its 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 undeficated fiscal year 2012-13 funding was higher than their LCFF entitlement at full implementation. Such districts will have their undeficated 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 undeficated funding, adjusted for cost-of-living increases.

Community-funded districts continue to receive at least the amount of State funding they received in fiscal year 2012-13. Although community-funded districts do not receive LCFF funding grants, they must comply with the regulations and accountability requirements of LCFF. Community-funded districts also continue to receive the constitutionally guaranteed \$120 per-pupil minimum as well the \$200 per-pupil minimum from the EPA pursuant to Proposition 30 as additional revenue. The District is not a community-funded 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, school districts receive a quarterly allocation of the tax revenue deposited in the EPA from the temporary tax increases associated with Proposition 30 and extended under Proposition 55. The funds in the EPA are allocated between K-12 school districts and community college districts by 89 percent and 11 percent, respectively, and entitlements are calculated based on the adjusted LCFF entitlement of the district. The EPA funds received by an LCFF-funded school district count towards the district’s LCFF funding entitlement; community-funded districts also receive the \$200 per-pupil EPA funding. 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. The District has not sponsored any charter schools.

Federal Funding. According to the LAO, federal revenue accounted for approximately nine percent of the State's K-12 public education funding in fiscal years 2016-17 and 2017-18, and is budgeted to account for approximately nine percent of funding in fiscal year 2018-19. 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. According to the LAO, local property taxes revenue accounted for approximately 24 percent of the State's K-12 public education funding in fiscal year 2016-17 and approximately 25 percent of funding in fiscal year 2017-18, and is budgeted to account for approximately 25 percent of funding in fiscal year 2018-19. Property taxes are constitutionally limited to one percent of the property's value, except to repay voter-approved debt.

Other Local Funds. According to the LAO, local miscellaneous revenue accounted for approximately five percent of the State's K-12 public education funding in fiscal years 2016-17 and 2017-18, and is budgeted to account for approximately five percent of funding in fiscal year 2018-19. 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 2018-19 State Budget

On June 27, 2018, the Governor signed the Budget Act of 2018 and associated trailer bills to enact the fiscal year 2018-19 State budget (the “2018-19 State Budget”). Under the 2018-19 State Budget, State general fund revenues and transfers are projected to total \$133.3 billion, an increase of \$3.5 billion (2.7 percent) from revised fiscal year 2017-18 estimates. The State’s largest three sources of general fund tax revenue – personal income taxes, sales and use taxes, and corporate taxes – are projected to increase by 4.2 percent in fiscal year 2018-19. State general fund expenditures in fiscal year 2018-19 are projected to be \$138.7 billion, an increase of \$11.6 billion (9.2 percent) from revised fiscal year 2017-18 levels.

The State is projected to end fiscal year 2017-18 with total available general fund reserves of \$16.7 billion, including \$7.3 billion in the discretionary Special Fund for Economic Uncertainties (SFEU) reserve and \$9.4 billion in the Proposition 2 mandatory Budget Stabilization Account. The State is projected to end fiscal year 2018-19 with total available general fund reserves of \$15.9 billion, including \$2.0 billion in the Special Fund for Economic Uncertainties (SFEU) reserve, \$13.8 billion in the Budget Stabilization Account and \$200 million in the Safety Net Reserve, a new reserve fund created by the 2018-19 State Budget to save money specifically for CalWORKS and Medi-Cal, both of which have increased expenditures during recessions.

Under the 2018-19 State Budget, the Budget Stabilization Account is projected to reach a fiscal year 2018-19 ending balance of \$13.8 billion, equal to the constitutional maximum of 10 percent of estimated State general fund revenues, upon a \$2.6 billion optional deposit. This optional deposit will be placed into a new temporary reserve, the Budget Deficit Savings Account, until May 2019, at which time the amount will be adjusted and then deposited into the Budget Stabilization Account based on revised revenue estimates.

The following table identifies historical and budgeted State general fund revenues, expenditures and fund balances.

**State General Fund
2018-19 State Budget**

	2016-17 <u>Revised</u> (Millions)	2017-18 <u>Revised</u> (Millions)	2018-19 <u>Enacted</u> (Millions)
Prior-year Fund Balance	\$5,029	\$5,702	\$8,483
Revenues and Transfers	118,669	129,825	133,332
Expenditures	<u>119,087</u>	<u>127,045</u>	<u>138,688</u>
Ending Fund Balance	\$4,610	\$8,483	\$3,127
Encumbrances	1,165	1,165	1,165
Special Fund for Economic Uncertainties	3,445	7,318	1,962
Reserves			
Special Fund for Economic Uncertainties	\$3,445	\$7,318	\$1,962
Budget Stabilization Account	6,713	9,410	13,768
Safety Net Reserve	--	--	<u>200</u>
Total Reserves	\$10,158	\$16,728	\$15,930

Source: The State Legislative Analyst’s Office.

Education Funding. The 2018-19 State Budget includes total K-12 education funding of \$97.2 billion (\$56.1 billion from the State general fund and \$41.1 billion from other State funds). The 2018-19 State Budget funds the Proposition 98 minimum guarantee at \$78.4 billion, an increase of \$2.8 billion (3.7 percent) from revised fiscal year 2017-18 levels and an increase of \$31 billion (66 percent) from fiscal year 2011-12 levels, the depth of the State’s budget crisis. The minimum guarantee for fiscal year 2018-19 is determined under Proposition 98’s Test 2, operative when the increase in the minimum guarantee is attributable to an increase in *per capita* personal income (see “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND EXPENDITURES” herein). Of the \$78.4 billion Proposition 98 spending budgeted for fiscal year 2018-19, \$54.9 billion is from the State general fund and \$23.5 billion is from local property tax revenue. Proposition 98 K-12 per-pupil expenditures are \$11,645 in fiscal year 2018-19, an increase of \$579 (5.2 percent) per

pupil from revised fiscal year 2017-18 levels and an increase of approximately \$4,633 (66.1 percent) per pupil from fiscal year 2011-12 levels.

The Proposition 98 maintenance factor, created in years in which State general fund revenue growth is slow or decreases compared to growth in *per capita* personal income, is calculated as 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 forward from year to year until the State's economy is strong enough to restore the difference by accelerating Proposition 98 funding. As a result of upward revisions to fiscal year 2017-18 Proposition 98 spending, the State is making an additional maintenance factor payment of \$789 million (on top of a previous \$536 million payment). After making the \$1.3 billion total payment, the State will have eliminated all remaining maintenance factor for the first time since fiscal year 2005-06.

The 2018-19 State Budget also creates a new Proposition 98 certification process so that the final calculation of the Proposition 98 minimum guarantee will not take as long to certify, beginning with the certification of the fiscal year 2017-18 Proposition 98 minimum guarantee in May 2019. The new process assigns a leadership role to the Director of Finance for the State and creates a defined review period for legal challenges. The 2018-19 State Budget also creates a similar process for adjusting spending when the final calculation of the minimum guarantee results in an increase or decrease, called the "Proposition 98 Cost Allocation Schedule."

Local Control Funding Formula The 2018-19 State Budget provides \$3.7 billion in new funding for LCFF, bringing total LCFF funding to \$61.1 billion in fiscal year 2018-19 and fully implementing the school district and charter school formula two years earlier than originally scheduled. LCFF funding in fiscal year 2018-19 includes both a 2.71 percent cost-of-living adjustment ("COLA") and an additional \$570 million above the COLA as an ongoing increase to the formula, effectively funding a 3.7 percent COLA.

The 2018-19 State Budget also provides \$300 million in one-time Proposition 98 State funding for the Low-Performing Students Block Grant, which will provide resources in addition to LCFF funds to local educational agencies with students who perform at the lowest levels on the State's academic assessments and do not generate supplemental LCFF funds or State or federal special education resources.

The 2018-19 State Budget provides for certain adjustments in education spending, including the following:

Statewide System of Support: \$57.8 million in Proposition 98 funding for county offices of education to provide technical assistance to school districts, of which \$4 million will go towards geographical regional leads to build system-wide capacity to support school district improvement.

Multi-Tiered Systems of Support (MTSS): \$15 million in one-time Proposition 98 funding to expand the State's MTSS framework to foster positive school climate in both academic and behavioral areas.

California Collaborative for Educational Excellence: \$13.3 million in one-time Proposition 98 funding for the California Collaborative for Educational Excellence (the "Collaborative") and a co-lead county office of education to help build capacity for community engagement in the LCAP process, as well as \$11.5 million in Proposition 98 funding to support the Collaborative in its role within the statewide system of support.

Special Education Local Plan Area (SELPA) Technical Assistance: \$10 million in Proposition 98 funding for SELPAs to assist county offices of education in providing technical assistance to school districts identified for differentiated assistance within the statewide system of support.

Dashboard Improvement: \$300,000 in one-time Proposition 98 funding to improve the user interface of the California School Dashboard.

LCFF Budget Summary for Parents: \$200,000 in one-time Proposition 98 funding to develop the electronic template for the LCFF Budget Summary for Parents, which will help stakeholders better understand funding decisions made within the LCAP.

LCAP Redesign: \$200,000 in one-time Proposition 98 funding to support intended future legislation to streamline the LCAP.

Career Technical Education (CTE): \$164 million in ongoing Proposition 98 funding to create a new K-12 Career Technical Education ("CTE") program funded through the Strong Workforce Program, which is administrated by the California

Community College Chancellor's Office, in consultation with the State Department of Education, as well as \$150 million in ongoing Proposition 98 funding to make permanent the State's Career Technical Education Incentive Grant Program.

One-Time Discretionary Funding: \$1.1 billion in one-time Proposition 98 funding for school districts, charter schools and county offices of education to use at local discretion. Similar to features included in prior State budgets, these funds would offset any applicable mandate reimbursement claims for these entities.

Inclusive Early Education Expansion Program: \$167.2 million in one-time Proposition 98 funding to create the Inclusive Early Education Expansion Program through a competitive grant program to increase the availability of inclusive early education and care for children aged zero to five years old, especially in low-income areas and in areas with relatively low access to care.

Special Education, Bilingual, and STEM Teachers: \$75 million in one-time Proposition 98 funding to support locally sponsored, one-year intensive, mentored, clinical teacher preparation programs with \$50 million aimed at preparing and retaining special education teachers and \$25 million aimed at bilingual and STEM teachers; and \$50 million in onetime Proposition 98 funding to provide one-time competitive grants to local educational agencies to develop and implement new, or expand existing, locally identified solutions that address a local need for special education teachers.

Classified School Employee Summer Assistance Program: \$50 million in one-time Proposition 98 funding to provide State matching funds to classified school employees that elect to have a portion of their monthly paychecks withheld during the school year and then paid during the summer recess period.

Classified School Employee Professional Development Block Grant Program: \$50 million in one-time Proposition 98 funding for professional development opportunities for classified staff, with a priority on professional development for the implementation of school safety plans.

Charter School Facility Grant Program: \$21.1 million in one-time and \$24.8 million in ongoing Proposition 98 funding to reflect increases in programmatic costs.

Kids Code After School Program: \$15 million in one-time Proposition 98 funding to increase opportunities for students in after-school programs to access computer coding education.

Fire-Related Support: \$4.4 million in Proposition 98 funding over two years in property tax relief to schools impacted by the fires in Northern and Southern California in 2017, and an additional \$25 million in Proposition 98 funding relief through the LCFF. The 2018-19 State Budget also holds harmless the ADA used in calculating the LCFF for these counties for three years.

Fiscal Crisis and Management Assistance Team (FCMAT): \$972,000 in Proposition 98 funding to allow FCMAT to coordinate with county offices of education to offer more proactive and preventive services to fiscally distressed school districts, specifically those with a qualified interim budget status.

The following table identifies Proposition 98 budgeted funding levels for fiscal year 2018-19 and revised levels for fiscal years 2016-17 and 2017-18, both by segment of educational level and by source of funding.

**Proposition 98 Funding
2018-19 State Budget**

Funding By Segment	2016-17 <u>Revised</u> (Millions)	2017-18 <u>Revised</u> (Millions)	2018-19 <u>Enacted</u> (Millions)
K-12 Education			
General Fund	\$43,701	\$46,240	\$47,507
Local Property Tax Revenue	<u>18,582</u>	<u>19,295</u>	<u>20,414</u>
Subtotal	\$62,283	\$65,535	\$67,920
Community Colleges			
General Fund	\$5,473	\$5,757	\$6,063 ³
Local Property Tax Revenue	<u>2,825</u>	<u>2,941</u>	<u>3,110</u>
Subtotal	\$8,299	\$8,698	\$9,173 ³
Preschool ¹	\$975	1,190 ²	1,215
Other Agencies ¹	<u>85</u>	<u>95</u>	<u>85</u>
Total	\$71,642	\$75,618	\$78,393
Funding By Source			
General Fund	\$50,234	\$53,381	\$54,870
Local Property Tax Revenue	<u>21,407</u>	<u>22,236</u>	<u>23,523</u>
Total	\$71,642	\$75,618	\$78,393

¹Consists entirely of State general fund.

²Includes \$167 million for one-time grants to fund the expansion of early education programs, including preschool. Excluding this amount, the preschool increase from fiscal year 2017-18 to fiscal year 2018-19 is \$93 million (8.3 percent).

³Includes \$164 million for the new K-12 component of the Strong Workforce Program. Excluding this amount, the increase from fiscal year 2017-18 to fiscal year 2018-19 is \$142 million (2.5 percent) for State general fund spending and \$310 million (3.6 percent) for total community college spending.

Figures may not total 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 and 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 been engaged by the District to undertake, and 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 Sacramento County Pool

The opinion of Bond Counsel with respect to the enforceability of the rights of the Registered Owners and Beneficial Owners is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor’s rights. Bankruptcy proceedings, if initiated, could subject the Registered Owners and Beneficial Owners 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 Sacramento County Pool, as described under the caption “SACRAMENTO COUNTY POOLED INVESTMENT FUND” herein and in “APPENDIX D—SACRAMENTO COUNTY 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 Registered Owners and Beneficial Owners 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 Sacramento County Pool, and such amounts may not be available for payment of the principal of and interest on the Bonds unless the Registered Owners and Beneficial Owners can “trace” those funds. There can be no assurance that the Registered Owners and Beneficial Owners could successfully so “trace” such taxes on deposit in the Tax Collection Fund where such amounts are invested in the Sacramento County Pool. The Resolution and the Government Code require Sacramento County and San Joaquin 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. 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 Owners 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 advisors 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.

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, and under provisions of the Government Code, are eligible to secure deposits of public moneys in the State.

RATING

S&P Global Ratings (“S&P”) has assigned a municipal bond rating of “__.” Such rating reflects only the views of S&P, and an explanation of the significance of such rating may be obtained from S&P. S&P may have obtained and considered information and material which has not been included in this Official Statement. Generally, rating agencies base their ratings on information and material so furnished and on investigations, studies and assumptions made by them. The rating is not a recommendation to buy, sell or hold the Bonds. There is no assurance that any such rating will continue for any given period of time or that any such rating will not be revised downward or withdrawn entirely by the rating agency, if, in the judgment of the rating agency, circumstances so warrant. The District has not undertaken any responsibility to assure the maintenance of the rating or to oppose any such revision or withdrawal. 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 prepared 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 ended June 30, 2017, have been audited by Christy White Associates, San Diego, California. The audited financial statements of the District as of and for the year ended June 30, 2017, are set forth in “APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE YEAR ENDED JUNE 30, 2017” 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 been engaged to

perform and has not performed, since the date of its report attached hereto, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

UNDERWRITING AND INITIAL OFFERING PRICE

Following a competitive sale process, the Bonds will be purchased by _____ (the “Underwriter”) pursuant to a bond purchase agreement (the “Purchase Agreement”) by and between the District and the Underwriter at a price of \$_____ (equal to the principal amount of the Bonds of \$_____, plus a net original issue premium of \$_____, less an underwriting discount of \$_____). The Underwriter’s obligation to purchase the Bonds is subject to certain terms and conditions set forth in the Purchase Agreement.

The Underwriter intends to offer the Bonds to the public at the initial offering prices and yields stated on the inside cover page hereof. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than said public offering prices. The offering prices may be changed from time to time by the Underwriter.

CONTINUING DISCLOSURE

The District will covenant for the benefit of the holders and Beneficial Owners of the Bonds to annually 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 fiscal year 2017-18 (which is due no later than March 31, 2019), 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 EMMA. The specific nature of the information to be contained in the Annual Report and the notices is specified in “APPENDIX B—FORM OF CONTINUING DISCLOSURE CERTIFICATE” attached hereto. These covenants are being made in order to assist the Underwriter in complying with SEC Rule 15c-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 May 10, 2017. Notices of the failure to file the annual reports were not posted until May 10, 2017.
- 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 May 10, 2017.

The following notices of significant events were posted more than ten business days after their occurrence:

- On March 18, 2014, S&P upgraded the rating of 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 May 10, 2017.

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 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 the District Board.

Galt Joint Union Elementary School District

By: _____
Karen Schauer, Ed.D.
Superintendent

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APPENDIX A

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT
FOR THE YEAR ENDED JUNE 30, 2017

[TO COME]

APPENDIX B

FORM OF CONTINUING DISCLOSURE CERTIFICATE

[TO COME]

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

[TO COME]

APPENDIX D

SACRAMENTO COUNTY 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.



Board Meeting Agenda Item Information

Meeting Date: November 28, 2018	Agenda Item: 171.955 Board Consideration of Approval of Galt Elementary Faculty Association (GEFA) and GJUESD Agreement Regarding Preschool Language
Presenter: Donna Mayo-Whitlock	Action Item: XX Information Item:

The Article XXIII: Preschool Permit contract language has been ratified by Galt Elementary Faculty Association (GEFA). This contract article has been created to address the specific difference in State requirements and personnel responsibilities for prekindergarten teachers. Examples:

- Duty-free morning breaks and lunch breaks for full day teachers
- Adjunct duty hours
- Site Director role and responsibilities
- Work year

ARTICLE XXIII :

PRE-SCHOOL PERMIT TEACHERS

1. Credentialing Requirements

- 1.1 Child Development Associate Teacher Permit
A minimum of 12 semester units in early childhood education or child development.
- 1.2 Child Development Teacher Permit
24 Semester units of early childhood education/child development.
- 1.3 Child Development Master Teacher Permit
Authorized to serve as a coordinator of curriculum and staff development in a child care and development program.
- 1.4 Child Development Site Supervisor Permit
Authorized to supervise a child care and development program operating at a single site.
- 1.5 Child Development Program Director Permit
Authorized to supervise a child care and development program operated at a single site or multiple sites.

2. General Provisions Applicable to Pre-School Unit Members

2.1 Class Size and Ratio

Class size and ratio shall be determined by Community Care Licensing, Title 22 and California Department of Education, Title 5 regulations. The standard class size is 24 students and one adult to child ratio of 1:8.

2.2 Leaves

Unit members shall follow Article XII – Leaves, of the collective bargaining agreement for all leaves.

2.3 Adjunct Duties

2.3.1 The Site Director and the unit members shall prepare a master list of all adjunct duties and the estimated time required to perform each duty at the beginning of each calendar year. Currently required Adjunct Duties are Back-to-School Night and Fall Family Night. Maximum 6 hours per year.

2.3.2 Nothing in this Article shall preclude any bargaining unit member from voluntary participation in school related activities that he/she deems appropriate.

2.4 Evaluation

Follow Article VII Evaluation Procedures.

2.5 Compensation

2.5.1 Any cost adjustment shall not, without mutual agreement, exceed the State COLA for the preschool program.

2.5.2 Each year of service (75% or more), will advance the unit member one (1) vertical step in their Class column.

2.5.3 Movement across the schedule must meet the requirements of Article XX Salary Schedule procedure of this collective bargaining agreement.

2.5.4 Unit members with a Master's degree from an accredited institution shall receive the Master's degree stipend pursuant to Article XVIII, Salary, Paragraph F.

2.5.5 A newly hired teacher will receive up to eleven (11) years credit for full-time out of the district experience. 75% of the days in the permit teachers out of district work year is required to qualify for each year of out of the district credit.

2.5.6 Preschool teachers shall receive benefits. Unit members whose regular work day is five and one-quarter (5-1/4) hours shall be eligible for seventy-five percent (75%) District benefit coverage.

3. Pre-School Teachers Work Year

- 3.1 Work Year: 181 days
- 175 student contact days
- 3 Pre-service days
- 3 Staff Development days

The individual unit member's work year shall be 181 days. The pre-school student calendar follows the State required calendar days.

4. Contract Hours

- 4.1 Full-Day (1.0 FTE): 7 hours (7:55-3:00)

- 4.2 Part-Day (.75 FTE): 5.5 hours (a.m. 7:50 – 1:20) (p.m. 9:45-3:15)
- 4.3 Half Time (.50 FTE): 3.5 hours (7:55-11:25)
- 4.4 Full day teachers shall have a 30-minute duty free lunch period and a 15-minute morning relief period.
- 4.5 On weeks when morning teachers attend Wednesday collaboration, they may go on off duty status when their students have left on Friday.

5. Parent Conferences

All preschool teachers shall have two full-day release days in the fall and one ½-day release day in the spring to conduct parent conferences.

6. Preparation Period

Full time (7 hour/day) unit members shall have the support of an instructional assistant 5 days per week in the afternoon to assist with prep time and shall also utilize the nap period for preparation. Part time unit members shall utilize their contracted non-student time for preparation.

7. Site Director

The district may adopt either of the following Site Director Models (dependent on funds).

- 7.1 Preschool Site Director may teach a ½ day preschool class @ .75 FTE and serve as Site Director @ .25 FTE. The Site Director shall not evaluate unit members at their sites. The Site Director working under the supervision of the Program Administrator, shall be responsible for, but not limited to, the following duties: Professional learning & collaboration, State Preschool compliance, coordination with the First 5 school readiness program, and supervision of full day teachers' lunch periods. The Site Director support to the Program Administrator may include the following: parent and student matters, SSTs and IEPs.
- 7.2 Preschool Site Director may be a 1.0 FTE non-teaching position (if additional funding available). A full time Site Director shall be included within the GEFA bargaining unit. Full time responsibilities will include additional duties such as: parent and student matters, IEPs and SSTs. The Site Director will not participate in the observation and evaluation process of staff.