



Santee School District

SCHOOLS:

Cajon Park
Carlton Hills
Carlton Oaks
Chet F. Harritt
Hill Creek
Pepper Drive
PRIDE Academy
at Prospect Avenue
Rio Seco
Sycamore Canyon
Alternative
Success Program

Douglas E. Giles
Educational Resource Center
9619 Cuyamaca Street
Santee, California

**BOARD OF EDUCATION
REGULAR MEETING
A G E N D A
April 5, 2011**

District Mission

Santee School District, supported by an involved community, an outstanding staff, and a shared vision, assures a quality education that supports students in achieving academic excellence and in developing life skills needed for success in a diverse and changing society.

6:00-6:45 P.M. Principal Meeting in the District Office Conference Room

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A. OPENING PROCEDURES – 7:00 p.m.

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1. Call to Order and Welcome
2. District Mission
3. Pledge of Allegiance
4. Approval of Agenda

B. REPORTS AND PRESENTATIONS

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1. Superintendent's Report
 - 1.1. Developer Fees Collection Report 8
 - 1.2. Use of Facilities Report 9
 - 1.3. Enrollment Report 10
 - 1.4. Claims Against the District 11
 - 1.5. Schedule of Upcoming Events 12
2. Report from the Budget Advisory Committee 13

C. PUBLIC COMMUNICATION

During this time, citizens are invited to address the Board of Education about any item not on the agenda. Request-to-speak cards should be submitted in advance. The Board may not take action on any item presented. The Board has a policy limiting any speaker to five minutes. All meetings are tape recorded.

BOARD OF EDUCATION • Dan Bartholomew, Dustin Burns, Dianne El-Hajj, Ken Fox, Barbara Ryan
DISTRICT SUPERINTENDENT • Patrick Shaw, Ed.D.

9625 Cuyamaca Street • Santee, California 92071-2674 • (619) 258-2300 • www.santeesd.net

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D. PUBLIC HEARINGS	
1. Proposed Increase in Developer Fees	19
E. CONSENT ITEMS	
<i>Items listed under Consent are considered to be routine and are acted on by the Board with a single motion. There is no discussion of these items prior to the Board vote unless a member of the Board, staff, or public requests specific items be considered separately. Request to speak cards should be submitted in advance.</i>	
Superintendent	
1.1. <u>Approval of Minutes</u>	22
It is recommended that the Board of Education approve meeting minutes with any necessary modifications.	
Business Services	
2.1. <u>Approval/Ratification of Travel Requests</u>	33
It is recommended that the Board of Education ratify the authorization granted to personnel requesting out-of-district travel as listed.	
2.2. <u>Acceptance of Donations</u>	35
It is recommended that the Board of Education accept donations as listed.	
2.3. <u>Approval of Consultants and General Service Providers</u>	36
It is recommended that the Board of Education approve Consultant and General Service Provider agreements as presented.	
2.4. <u>Approval of Uniform Complaint Quarterly Report Required by the Williams Settlement</u>	38
It is recommended that the Board of Education approve the quarterly report for the period ending March 31, 2011, required by the Williams Settlement.	
2.5. <u>Approval/Ratification of Agreement with Riverview Community Church for Use of Facilities at Cajon Park School</u>	59
It is recommended that the Board of Education approve/ratify the Agreement with Riverview Community Church for use of Cajon Park facilities.	
2.6. <u>Approval/Acceptance of SFNA Report and Adoption of Resolution #1011-17 of Alternative Fees (Developer Fees)</u>	43
It is recommended that the Board of Education provide approval/acceptance of the updated School Facilities Needs Analysis and adopt Resolution #1011-17 to increase school facility fees in accordance with Government Code sections 65995.5, 65995.6 and 65995.7 for a one year term per SB 50.	
Capital Improvement Program	
3.1. <u>Approval of Hard Drive Replacement of Existing Mitel Phone Switch at the District Office and School Sites</u>	52
It is recommended that the Board of Education approve the replacement of the hard drives and RSD Back-Up disk for the phone switches at the District Office and 8 school sites.	

- 3.2. **Approval of Site DSA Inspector IOR for Chet F. Harritt School Modernization** 54
It is recommended that the Board of Education approve IOR services with Hendrix, California School Construction Services, for the Chet F. Harritt School modernization project.

Human Resources/Pupil Services

- 4.1. **Personnel, Regular** 57
It is recommended that the Board of Education approve the listed personnel appointments, change of status, leave requests, resignations and dismissals.
- 4.2. **Approval of Pilot Expansion of the YALE Preschool Program at PRIDE Academy** 59
It is recommended that the Board of Education approve a pilot expansion of the YALE Preschool Program that will include wrap-around care for State Preschool and EAK students, full-time care, parent participation enrichment classes, and enrichment classes without parent participation.
- 4.3. **Approval to License Classrooms at Carlton Hills School and Expand the YALE Preschool Program to Carlton Hills in 2011** 62
It is recommended that the Board of Education approve proceeding with State licensing of three classrooms at Carlton Hills to temporarily house the YALE Preschool during the summer and fall and approve the expansion of the YALE Preschool Program to Carlton Hills School beginning in January 2012.

F. DISCUSSION AND/OR ACTION ITEMS

Members of the audience wishing to address the Board about any of the following items should submit a request to speak card in advance.

Business Services

- 1.1. **Approval of Monthly Financial Report** 65
It is recommended that the Board of Education approve the Monthly Financial Report.
- 1.2. **Adoption of Resolution #1011-18 to Issue Tax Revenue Anticipation Notes for the 2011-12 Fiscal Year** 68
It is recommended that the Board of Education adopt Resolution #1011-18 authorizing the issuance of tax and revenue anticipation notes (TRANS) for the 2011-12 fiscal year in an amount not to exceed \$10 million.
- 1.3. **Adoption of Resolution #1011-20, to Withdraw Membership in the Southern California Regional Liability Excess Fund (ReLiEF) Joint Powers Authority (JPA) and Rejoin the San Diego County Property and Liability Joint Powers Authority** 94
It is recommended that the Board of Education adopt Resolution #1011-20 to withdraw from So Cal ReLiEF as of June 30, 2011 and rejoin SD County JPA as of July 1, 2011 for property and liability coverage.

Capital Improvement Program Page #

- 2.1. **Adoption of Resolution #1011-19, Resolution to Issue Series E General Obligation Bonds** 97
It is recommended that the Board of Education adopt Resolution #1011-19, "Resolution of the Board of Education of the Santee School District Authorizing the Issuance of the Santee School District General Obligation Bonds, Election of 2006, Series E, in an Aggregate Principal Amount not to Exceed Five Million Dollars (\$5,000,000)" as submitted.
- 2.2. **Discussion of Long-Term Plan for Woodshop at Hill Creek School** 138
This is an information only item. Action is at the discretion of the Board of Education.

Educational Services

- 3.1. **Approval of Memorandum of Understanding Between Santee School District and California Partnership for Achieving Student Success (Cal-PASS)** 140
It is recommended that the Board of Education approve the Cal-PASS Memorandum of Understanding for California Partnership for Achieving Student Success.

Human Resources/Pupil Services

- 4.1. **Adoption of Resolution No. 1011-21 to Layoff Identified Classified Non-Management Position** 150
It is recommended that the Board of Education adopt resolution no.1011-21 to lay off an identified classified non-management position.
- 4.2. **Leave of Absence Parameters** 152
It is recommended that the Board of Education discuss leave of absences parameters. Action is at the discretion of the Board.
- 4.3. **Employee Recognition for Day of the Teacher and Classified School Employees Week** 153
It is requested that the Board of Education approved Administration's recommendation for the recognition of teachers and classified employees.

G. BOARD POLICIES AND BYLAWS

1. **First Reading: Board Bylaw 9000 Role of the Board** 155
Board Bylaw 9000 is submitted to the Board in a first reading for a revision in the title to *Responsibility of the Board*. No action is requested however, action is at the discretion of the Board.
2. **First Reading: Board Policy Annual Review:** 161
BP 1312.1 Complaints Concerning District Employees
BP 4116 Probationary/Permanent Status
BP 4315.1 Competence in Evaluation of Teachers
BP 5116.1 Intradistrict Open Enrollment
BP 6145 Extracurricular and Cocurricular Activities
Board Bylaw 9310, Board Policies, and Education Code 35160.5 require that the Board annually review the listed Board Policies. The policies are submitted with no recommended revisions for a first reading. No action is requested.

H.	BOARD COMMUNICATION AND ORGANIZATIONAL BUSINESS	172
I.	CLOSED SESSION	173
	1. Conference with Labor Negotiator (<i>Govt. Code § 54956.8</i>) <i>Purpose: Negotiations</i> <i>Agency Negotiator: Karl Christensen, Assistant Supt, Business Services</i> <i>Employee Organizations: Santee Teachers Association</i> <i>California School Employees Association</i>	
	2. Public Employee Performance Evaluation (<i>Govt. Code § 54957</i>) <i>Superintendent</i>	
J.	RECONVENE TO PUBLIC SESSION	173
K.	ADJOURNMENT	173

Please note: Per SB 343, the supporting documents for this meeting agenda are available in the lobby at the Santee School District Office, located at 9625 Cuyamaca St., Santee, CA 92071 and will be available for viewing at the meeting.

*The next regular meeting of the Board of Education is scheduled for
 May 3, 2011, at 7:00 p.m.
 in the Douglas E. Giles Educational Resource Center.*

Santee School District complies with the Americans with Disabilities Act. If you require reasonable accommodations including alternate formats for this meeting, contact the Superintendent's Office at (619) 258-2304 at least two (2) days before the meeting date.

Members present:

Ryan
 Bartholomew
 El-Hajj
 Fox
 Burns

OPENING PROCEDURES ITEM A.

1. Call to Order and Welcome – 7:00 p.m.

2. District Mission

Santee School District, supported by an involved community, an outstanding staff, and a shared vision, assures a quality education that supports students in achieving academic excellence and in developing life skills needed for success in a diverse and changing society.

3. Pledge of Allegiance

4. Approval of Agenda for the April 5, 2011 regular meeting

Agenda Item A.

Reports and Presentations Item B.1. Superintendent's Report
Prepared by Dr. Patrick Shaw
April 5, 2011

The following items are presented for Board information:

- 1.1. Developer Fees Collection Report
- 1.2. Use of Facilities Report
- 1.3. Enrollment Report
- 1.4. Claims Against the District
- 1.5. Schedule of Upcoming Events

Agenda Item B.

Requests For Use Of Facilities - April 5, 2011

Group	Location	Date	Days	Time	Attendance	Fees Applied
<u>Cajon Park</u>						
PTSA	Multi-Purpose Room	3/10/11	Thursday	5:00 pm - 9:00 pm	100 - 150	\$35.00 HVAC
C.Y.T.	Multi-Purpose Room	3/18/11	Friday	4:30 pm - 8:30 pm	200	
Cal Soap	Multi-Purpose Room	3/15/11 & 3/29/11	Tuesday	6:00 pm - 7:30 pm		
Riverview Community Church	Multi-Purpose Room & Classrooms entire school	4/3/11 - 12/25/11	Sunday	6:00 am - 3:00 pm	250	\$135.63 per week
PTSA		4/6/11	Wednesday	4:00 pm - 9:00 pm	500	\$20.00 Kitchen Fee
<u>Carlton Hills</u>						
PTA	Multi-Purpose Room	3/10/11	Thursday	5:00 pm - 8:00 pm	150	
PTA	Multi-Purpose Room & Kitch	2/25/11	Friday	6:00 pm - 9:00 pm	200	20.00 Kitchen Fee
<u>Carlton Oaks</u>						
Academic Chess	Classroom	3/21/11 - 5/23/11	Monday	2:40 pm - 4:10 pm	7	
<u>District Office</u>						
Padre Dam MWD	Board Room	5/25/11 & 5/26/11	Wed & Thurs	6:30 am - 5:00 pm	75	
City of Santee (4th of July Event)	Parking Lot (overflow parking)	7/4/11	Monday	8:00 am - 10:00 pm	4,000	
<u>Rio Seco</u>						
PTSA (Mother/Daughter Event)	Multi-Purpose Room	3/27/11	Sunday	11:00 am - 4:30 pm	25+	\$95.50
City of Santee (4th of July Event)	Amphitheater	7/4/11	Monday	8:00 am - 10:00 pm	4,000	
<u>Sycamore Canyon</u>						
Hot Spurs (Soccer Practice)	Field	3/24/11 - 8/18/11	Tues & Thurs	5:00 pm - 6:30 pm	15	

***NOTE: USE MAY BE LIMITED DUE TO MODERNIZATION AT VARIOUS SITES & FALL CARNIVALS TAKE PRECEDENCE OVER GROUPS.

Santee School District
ENROLLMENT REPORT
 4/1/2011
 Month 8 Week 1

SCHOOL	K	Gr 1	Gr 2	Gr 3	Gr 4	Gr 5	Gr 6	Gr 7	Gr 8	04/01/11		# Diff	% Diff	04/01/11 SDC	04/02/10 SDC	# Diff SDC	% Diff SDC	Prior Week		Total Diff
										Total Reg	3/26/2010** Total Reg							03/25/11 Total All	03/25/11 Total All	
Cajon Park	102	106	108	109	113	108	111	102	131	990	967	23	2.4%	67	37	30	81.1%	1057	1056	1
Carlton Hills	49	46	35	39	44	39	60	90	96	498	497	1	0.2%	20	42	-22	-52.4%	518	516	2
Carlton Oaks	85	80	80	66	94	99	100	121	94	819	807	12	1.5%	57	46	11	23.9%	876	875	1
Chet F. Harritt	81	54	89	51	56	55	61	66	71	584	584	0	0.0%	9	10	-1	-10.0%	593	592	1
Hill Creek	90	89	90	88	75	88	85	79	68	752	750	2	0.3%	25	22	3	13.6%	777	783	-6
Pepper Drive	84	77	72	63	67	75	86	88	80	692	708	-16	-2.3%	9	10	-1	-10.0%	701	702	-1
Prospect	53	65	52	63	47	57	63	61	43	504	483	21	4.3%	0	13	-13	-100.0%	504	503	1
Rio Seco	89	113	106	101	112	95	117	97	92	922	881	41	4.7%	40	23	17	73.9%	962	964	-2
Sycamore Canyon	61	50	52	50	32	46	41	0	0	332	329	3	0.9%	0	29	-29	-100.0%	332	332	0
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUBTOTAL	694	680	684	630	640	662	724	704	675	6093	6006	87	1.4%	227	232	-5	-2.2%	6320	6,323	-3
Alternative School	4	4	4	3	3	4	7	8	5	42	38	4	10.5%					42	40	2
Success Academy								5	4	9	10	-1	-10.0%					9	9	0
NPS										0	0			2	5	-3	-60.0%	2	2	0
EAK 5YO	121									121	140		0.0%					121	121	0
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUBTOTAL	125	4	4	3	3	4	7	13	9	172	188	-16	-8.5%					174	172	2
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	819	684	688	633	643	666	731	717	684	6265	6194	71	1.1%					6494	6495	-1

**Spring Break 3/29-4/9/2010

Please note: Special Ed. PK listed below are not reflected in the total count above because they do not receive ADA until they reach 5 years of age.

	PK	
Cajon Park	1	1058
Chet F Harritt	1	594
Sycamore Canyon	40	372
Total PK	42	

Total Enrollment Including PK
6536

EAK 4YO

CLAIMS AGAINST THE DISTRICT

The following claims were received by Business Services and referred to the District's insurance carrier by the Assistant Superintendent acting as the authorized agent of the Board of Education as reaffirmed by resolution at its April 21, 1992, meeting.

<u>SITE OF OCCURRENCE</u>	<u>DATE OF OCCURRENCE</u>	<u>DESCRIPTION/ACTION</u>
Second Street & Jeremy Street	March 17, 2011	Property Damage

Schedule of Upcoming Events

<i>Date</i>	<i>Event</i>
April 11-22	Spring Break Schools Closed
April 28	Honoring Our Own Awards Event 5:00 p.m.
May 3	Board Meeting 7:00 p.m.
May 17	Board Meeting 7:00 p.m.
May 24	Salute to Excellence Employees of the Year
June 7	Board Meeting 7:00 p.m.
June 9	End-of-Year Employee Celebration
June 21	Board Meeting 7:00 p.m.
June 22	Last Day of School
June 28	Foundation Golf Tournament

The Budget Advisory Committee (“BAC”) convened in November with a goal to present to the Board a list of considerations for reducing expenditures and increasing revenues in order to address a large projected budget shortfall. The BAC used the following parameters to conduct deliberations:

- **Collaboration:** Participants collectively serve in an advisory capacity to the Board of Education and work together as equals in a cooperative atmosphere to develop possible solutions to budgetary dilemmas facing the District.
- **Considerations:** Results of deliberations and discussion are formulated together as a List of Possible Considerations for the Board of Education to use in developing budgetary plans and strategies. This list will include an estimate of budgetary savings or added costs, objective and detailed rationale for the idea, suggested methods for implementing the idea, and probable ramifications reasonably expected to occur if the idea is implemented.
- **Consensus:** When formulating ideas to present to the Board for consideration, the BAC will use Brainstorming methodology in which all ideas are heard and included before any judgment is offered. Only after exhausting the process of generation are ideas then thoroughly examined and evaluated. The List of Possible Considerations will be finalized using the process of Consensus and not majority vote. Consensus does not necessarily connote unanimous agreement but rather unanimous support for an idea. In other words, participants in the process may not fully agree with an idea but must be able to state unequivocally; “I can support this idea.”

The final list of BAC Budget Reduction Considerations includes 9 ideas. At the March BAC meeting, each member gave a Consideration Weight to each item using the scale below. For purposes of determining items on the list that fall within the delineated ranges, cut points for the average weight are also shown:

- 3 = Little or no reservation. Consider these items for reduction first.
 - **Avg Weight Range: ≥ 2.50**
- 2 = Some reservation. Consider these items after 3's.
 - **Avg Weight Range: 2.0 to 2.49**
- 1 = Considerable reservation. Consider these items with caution.
 - **Avg Weight Range: < 2.0**
- 0 = “Cannot support” for purposes of consensus assessment.
 - Since the BAC used a process of consensus, it was important to know how many members could not support an idea. Therefore, members were instructed to give that item a “1” score for calculating the average but to add a “0” score to indicate their lack of support. The counts of these weights are included on the list for information only but are not included in the calculation of the Avg Weight.

Budget Advisory Council Budget Considerations for 2011-12

Consideration Weight (1, 2, 3)	#	Consideration	BAC Generated	Current Admin Proposal	Category	Estimated Savings	Rationale - Why would the District want to consider this?	Impact (Who, What)	Enacted Items
<u>3 2 1 0</u> 9 Avg. 3	1	Survey parents for ideas for budget considerations/solutions. Use school wires or survey monkey as tool. Possibly get donation for some type of reward for implemented idea.	X		Communication		This would allow the District to get more ideas from outside sources that could be beneficial to reduce costs.	<ul style="list-style-type: none"> District staff to create survey and assemble data. E-mail to parents with link to survey or through District Facebook account. 	
<u>3 2 1 0</u> 8 1 Avg. 2.89	2	Leverage purchase of hardware items thru bulk ordering	X		Operational		By purchasing items in bulk we could leverage a bigger discount from the vendor. Use consortiums more to utilize pricing efficiencies.	<ul style="list-style-type: none"> Senior Buyer to ensure leveraged purchases are done consistently and routinely. Reminders sent out to schools/depts to utilize Senior Buyer for purchases. 	
<u>3 2 1 0</u> 8 1 Avg. 2.89	3	Pursue alternative energy initiatives	X		Operational		Look at different energy initiatives including solar at multiple sites; clean energy which could generate income and/or reduce costs	<ul style="list-style-type: none"> District staff to analyze data and research alternatives and ideas. Schools impacted by construction/implementation. 	

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3 = Little or no reservation. Consider these items for reduction first. (Avg Range: >=2.5)

2 = Some reservation. Consider these items after 3's. (Avg Range: 2.0 to 2.49)

1 = Considerable reservation. Consider these items with caution. (Avg Range: <2.0)

0 = "Cannot support" for purposes of consensus assessment. Duplicative of 1's and NOT included in Avg calculation.

Budget Advisory Council Budget Considerations for 2011-12

Consideration Weight (1, 2, 3)	#	Consideration	BAC Generated	Current Admin Proposal	Category	Estimated Savings	Rationale - Why would the District want to consider this?	Impact (Who, What)	Enacted Items
$\frac{3 \ 2 \ 1 \ 0}{7 \ 2}$ Avg. 2.78	4	Pursue Cell Tower Leases at non-school site locations	X		Alternative Revenue Sources		Explore the possibilities of this as a revenue generator for the District; bring ideas of how it could work.	<ul style="list-style-type: none"> District staff to research City restrictions/ordinances. Need to consider possibility of community/parent concern over EMF (Electromagnetic Frequencies) emission Need to consider legal issues and proper structure of contracts that benefits the District and includes termination clauses. 	
$\frac{3 \ 2 \ 1 \ 0}{8 \ 1}$ Avg. 2.78	5	Increase communication of student attendance information – Get more specific information out to parents on how revenue generated, especially by ADA and use of Independent Study Contracts to regain ADA	X		Communication		If parents more informed on how the District receives revenue for ADA, they may be more likely to get kids in school. Information needs to be more readily distributed regarding the use of Independent Study Contracts and how they can be used to maintain ADA revenue	<ul style="list-style-type: none"> Superintendent to do “all call” message to parents on how they can help increase student attendance. Principals to incorporate information in literature/ communication distributed to parents and community. 	

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3 = Little or no reservation. Consider these items for reduction first. (Avg Range: >=2.5)
 2 = Some reservation. Consider these items after 3's. (Avg Range: 2.0 to 2.49)
 1 = Considerable reservation. Consider these items with caution. (Avg Range: <2.0)
 0 = “Cannot support” for purposes of consensus assessment. Duplicative of 1's and NOT included in Avg calculation.

Budget Advisory Council Budget Considerations for 2011-12

Consideration Weight (1, 2, 3)	#	Consideration	BAC Generated	Current Admin Proposal	Category	Estimated Savings	Rationale - Why would the District want to consider this?	Impact (Who, What)	Enacted Items
$\frac{3 \ 2 \ 1 \ 0}{8 \ 1}$ Avg. 2.78	6	Promote Attendance	X		Communication		Use advertising methods to promote attendance such as banners, websites, billboards, newsletters, social networks	<ul style="list-style-type: none"> School staff to develop and implement methods and communication tools. M&O staff to install banners. District staff to update school and district web pages. 	
$\frac{3 \ 2 \ 1 \ 0}{6 \ 2 \ 1}$ Avg. 2.56	7	Plan a Donation Day at each school site	X		Operational		Have a day for donations of supplies/money (monetary donations could be designated for specific items; grass field, technology, camperships)	<ul style="list-style-type: none"> School staff/Principals to coordinate and advertise. Limit to twice a year to increase effectiveness. 	
$\frac{3 \ 2 \ 1 \ 0}{5 \ 3 \ 1}$ Avg. 2.34	8	Eliminate General Fund support for AVID – Look at other funding sources to keep program	X		Program	\$7,500	The expense of continuing the program could be financed from other sources relieving the general fund of the \$7,500 expense.	<ul style="list-style-type: none"> School budgets reduced. AVID teachers receive less resources. Loss of certification of funds for Tutors and required training. 	
$\frac{3 \ 2 \ 1 \ 0}{1 \ 1 \ 7}$ Avg. 1.0	9	Implement a hotline for reporting of waste of time/expense “Secure Tips”	X		Communication		Have the ability for people to report suspected waste in the district without repercussion. County Office has one, could look at a link on our website to avoid expense for District.	<ul style="list-style-type: none"> District staff to setup link on website. Need to consider public perception. 	

3 = Little or no reservation. Consider these items for reduction first. (Avg Range: >=2.5)
 2 = Some reservation. Consider these items after 3's. (Avg Range: 2.0 to 2.49)
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PUBLIC COMMUNICATION Item C

During Public Communication, citizens are invited to address the Board of Education about any item not on the agenda. Request-to-speak cards should be submitted in advance. The Board may not take action on any item presented. The Board has a policy limiting any speaker to five minutes. Meetings are tape recorded.

Agenda Item C.

PUBLIC HEARINGS Item D

Agenda Item D.

Santee School District currently collects developer fees under Government Code Section 53080. Government Code Section 65995 provides that the maximum rates for Level 1 developer fees be increased according to an inflation adjustment for the cost of Class B construction. In January 2010, the State Allocation Board authorized the continued fees for new live-able residential development, and for new commercial/industrial projects.

The Level 1 fees are as follows:

Residential: \$2.97 per square foot of live-able area
Commercial/Industrial: \$0.47 per square foot of covered/enclosed area
Rental Self Storage: \$0.23 per square foot of rental self storage construction.

Grossmont Union High School District and the Santee School District have entered into an agreement whereby the elementary district is entitled to 62 percent of the Level 1 non-alternative fee and the high school district is entitled to 38 percent. The District proposes to levy a fee equivalent to 62 percent of the State maximum total Level 1 fee amount.

Under Government Code section 65995.5, which was enacted pursuant to Chapter 40, Statutes of 1998 ("Senate Bill 50" or "SB 50"), and amended by Chapter 858, Statutes of 1999 ("Assembly Bill 695" or "AB 695"), a school district's governing board may establish alternative fees to offset the cost of school facilities made necessary by new construction following the making of certain findings titled, "Alternative Fees."

The District commissioned Capitol Public Finance Group to prepare an analysis entitled "School Facility Needs Analysis" (SFNA) dated April 2011 in accordance with the provisions of SB 50. The findings in the SFNA lead us to determine that the school facilities and educational programs of the District are impacted by the increasing student population caused by new residential development within the boundaries of the District, and indicates that alternative fees are justified per Senate Bill 50.

The new fees assessed by Santee School District will be:

Level 1 Fee		
Residential Construction	Commercial/Industrial Construction	New Rental Self Storage Construction
\$1.84 per square foot <i>(no change)</i>	\$0.29 per square foot <i>(no change)</i>	\$0.14 per square foot <i>(no change)</i>
Level 2 Fee - Alternative		
Residential Construction	Commercial/Industrial Construction	New Rental Self Storage Construction
\$3.56 per square foot <i>(from \$3.46 per square foot)</i>	N/A	N/A
Level 3 Fee – Alternative Full Amount		
Residential Construction	Commercial/Industrial Construction	New Rental Self Storage Construction
\$7.15 per square foot <i>(from \$6.93 per square foot)</i>	N/A	N/A

- Level 1 fees for commercial/industrial construction, and rental self storage construction will be imposed immediately after this resolution is adopted on April 5, 2011.
- Level 2 fees will be imposed on new residential construction immediately after this resolution is adopted on April 5, 2011. Level 2 fees increase from \$3.46 to \$3.56.
- Prior to the District imposing Level 3 fees on new residential construction, the State Allocation Board must be out of new construction state funds.

Notice of the proposed fee increase and the public hearing have been published in The San Diego Union Tribune on February 22, and March 1, 2011. The public hearing for the proposed implementation of the developer fee adjustment is scheduled for tonight. After the hearing has been concluded, this item will be presented to the Board of Education for approval.

Agenda Item D.1.

CONSENT ITEMS Item E.

Items listed under Consent are considered to be routine and are acted on by the Board with a single motion. There is no Board discussion of these items prior to the vote unless a member of the Board, staff, or public requests specific items be considered separately. Citizens are invited at this time to address the Board about any item listed under Consent.

Agenda Item E

Consent Item E.1.1. Approval of Minutes
Prepared by Dr. Patrick Shaw
April 5, 2011

BACKGROUND:

Presented for Board approval –

- March 15, 2011, regular meeting minutes
- February 23, 2011, special meeting minutes
- February 24, 2011, special meeting minutes
- March 22, 2011, special meeting minutes

RECOMMENDATION:

It is recommended that the Board of Education approve the attached minutes with any necessary modifications.

Motion:

Second:

Vote:

Item E.1.1.

**SANTEE SCHOOL DISTRICT
REGULAR MEETING
OF THE BOARD OF EDUCATION**

March 15, 2011
MINUTES

Douglas E. Giles
Educational Resource Center
9619 Cuyamaca Street
Santee, California

6:00 p.m. Student Forum

The Board met with student representatives from all schools for a discussion about student college plans and schools as a safe social environment.

A. OPENING PROCEDURES

1. Call to Order and Welcome

President Ryan called the meeting to order at 7:00 p.m. and invited the audience to read the District Mission Statement.

Members present:

Barbara Ryan, President
Dan Bartholomew, Vice President
Dianne ElHajj, Clerk
Ken Fox, Member
Dustin Burns, Member

Administration present:

Dr. Patrick Shaw, Superintendent and Secretary to the Board
Karl Christensen, Assistant Superintendent, Business Services
Minnie Malin, Assistant Superintendent, Human Resources/Pupil Services
Kristin Baranski, Director, Educational Services
Linda Vail, Executive Assistant and Recording Secretary

2. President Ryan invited Santana student Savannah Dubnicka, to lead the members, staff and audience in the Pledge of Allegiance.
3. Approval of Agenda

President Ryan asked the Board to approve interrupting Board Communication if needed to meet at an appointed time in closed session with an attorney. Member El-Hajj moved to approve the agenda with a closed session appointment with legal counsel and returning to complete open session items as needed.

Motion: El-Hajj Second: Fox Vote: 5-0

Member Burns announced that Board President Barbara Ryan has been selected by the San Diego County School Boards Association as School Board Member of the Year. She will be recognized at the Honoring Our Own awards dinner on April 28th. He hopes administration will attend to honor both Mrs. Ryan and Karl Christensen as the ACSA Region 18 Assistant Superintendent of the Year in the Business Services category. Mrs. Ryan said that she was truly honored by this recognition.

B. REPORTS AND PRESENTATIONS

1. Superintendent's Report
- 1.1. Developer Fees Collection Report
 - 1.2. Use of Facilities Report
 - 1.3. Enrollment Report
 - 1.4. Claims Against the District
 - 1.5. Schedule of Upcoming Events

Dr. Shaw reported that he attended the POST Academy program at USD, a great professional development opportunity provided by USD at no cost. Three of our schools began participation last year, Chet F. Harritt, PRIDE Academy, and Rio Seco. The focus is on student learning and sharing learning strategies through professional development. USD is applying for a third year and if funded, we may be able to continue to participate. During the program that occurred today, our schools made presentations to the other participating districts from around the County. Santee is very thankful to be part of this great program.

2. Spotlight: Rachel Folsom- Santee School District Foundation Outgoing President
Dr. Shaw introduced Mrs. Rachael Folsom, a community business owner who was leaving after a successful two-year term as President of the Santee School District Educational Foundation. Mrs.

Folsom's background as a teacher has guided the mission and vision of the Foundation to provide resources to students in their classroom and during her presidency, the Foundation has continued to grow and in turn been able to provide the school district with fiscal resources that would not otherwise have been available. Dr. Shaw thanked Mrs. Folsom for her service and commitment to the Santee community and her service as President of the Santee School District Foundation. President Ryan thanked Mrs. Folsom and presented her with a certificate of appreciation from the Board.

Mrs. Folsom said that she enjoyed working with and getting to know the Santee School District community and will miss working with the Foundation.

C. PUBLIC COMMUNICATION

President Ryan invited members of the audience to address the Board about any item not on the agenda. There were no public comments.

D. CONSENT ITEMS

Items listed under Consent are considered to be routine and are all acted on by the Board with one single motion. President Ryan invited comments from the public on any item listed under Consent.

- 1.1. **Approval of Minutes**
- 1.2. **Adoption of Santee School District Governance Standards**
- 2.1. **Approval/Ratification of Travel Requests**
- 2.2. **Approval/Ratification of Expenditure Warrants**
- 2.3. **Approval/Ratification of Purchase Orders**
- 2.4. **Approval/Ratification of Revolving Cash Report**
- 2.5. **Acceptance of Donations**
- 2.6. **Approval of Consultants and General Service Providers**
- 2.7. **Approval of Agreement with Eric Hall and Associates to Provide Financial Advisory Services for the 2011 General Obligation Bond Issue**
- 2.8. *Pulled for separate consideration.*
- 3.1. **Authorization to Seek Bids/Proposals for Summer Projects**
- 3.2. **Adoption of Resolution #1011-16, Designating Applicant's Agent for Federal Assistance Relating to Storm Flooding 2010-11 Claims**
- 4.1. **Approval of School Accountability Report Cards for the 2009-10 School Year**
- 4.2. **Approval of Student Teaching Agreement with Dordt College**
- 5.1. **Personnel, Regular**
- 5.2. **Approval of New Probationary Teacher**

It was moved and seconded to approve Consent Items, with the exception of Item D.2.8. which was pulled by Member Burns for separate consideration.

Motion: *El-Hajj* **Second:** *Fox* **Vote:** *5-0*

D.2.8. **Sheriff Security Assessment** (Pulled by Member Burns for separate consideration.)

Member Burns asked if there was anything in the assessment that Administration was surprised about, especially following modernization. Dr. Shaw said there was nothing unexpected. One concern was the school entrances at Carlton Oaks and Rio Seco. The other modernized schools have entrances directly into the school office so gates can be locked during the school day. Administration is working with Barnhart to have an single entry from the outside into Hill Creek School. Once that is accomplished, Carlton Oaks and Rio Seco will be revisited. Mr. Christensen also said that it has been recommended by staff not to put in gate stops as recommended in the report. Gate stops would diminish some of the functionalities of the gates. The solution would be to paint more frequently and increase live-on site patrols.

Member Burns asked that a letter of appreciation be sent to Captain Musgrove for the assessment.

Motion: *Burns* **Second:** *El-Hajj* **Vote:** *5-0*

Minnie Malin introduced Kathy Dubnicka, as a new probationary teacher at Hill Creek School.

E. DISCUSSION AND/OR ACTION ITEMS

President Ryan invited comments from the public on any item listed under Discussion and/or Action. There were no comments.

1.1. Board Selection of Eighth Grade Promotion Assignments

Board members selected schools to attend to participate in the 8th grade promotion exercises.

2.1. Approval to Seek Proposals for Lighting Retrofit of District Office and Educational Resource Center

Karl Christensen reported last year the District received a proposal for retrofitting outdated lamps and ballasts at Pepper Drive School, the District Office, and Educational Services. Although there is an initial cost to the District, the cost is eventually paid back through energy savings. After receiving this information, Santee School District maintenance and operations staff began the retrofit and Pepper Drive School and it will be completed by summer. The District Office and Educational Services project was submitted to the recently formed energy JPA at the County Office. Their approach required additional costs for a criteria study and an energy analysis.

In-house staff has reviewed the lighting and it has been determined that lighting retrofits would be beneficial. Although there is no requirement, Administration recommended seeking proposals for this service to insure the lowest possible cost.

President Ryan stated she did not believe the Board item was fair to the company that gave the original proposal. By listing their proposal it would be very easy for another company to submit a bid just under this proposal. Member EL-Hajj asked if there is any advantage or disadvantage to them giving an initial proposal.

Mr. Christiansen said Administration did not know if the original proposal was a good proposal and had nothing to compare it to. American Lighting could also participate in the bid process just as any other vendor as their initial proposal is no longer in effect.

Member Burns suggested to Administration to only include cost proposals in future board items when the Board is being asked to accept a bid. The Board wishes to remain business friendly. Member Burns moved to authorize administration to seek proposals for lighting retrofit of the District Office and ERC. Selection of a proposal would be brought back to a subsequent Board meeting for approval to contract.

Motion: Burns Second: Bartholomew Vote: 5-0

3.1. Approval of Amendment No. 2 to Tenth Amendment (Phase IV –Chet F. Harritt School Modernization) to Construction Services Agreement for Lease-Leaseback, Site Lease, and Sublease Agreement

Karl reported action on Amendment #2 of the Tenth Amendment to the Lease-Leaseback Construction Agreement is to complete the modernization work at Chet F. Harritt School. This will establish the final Greatest Maximum Price (GMP) and add a 5% owner's contingency within the GMP to be used with District approval, with the remainder reverting to the District at the end of the construction.

Member Burns moved to approve Amendment No. 2 to Tenth Amendment to the Lease-Leaseback Construction Agreement with a Guaranteed Maximum Price of \$6,108,054.

Motion: Burns Second: El-Hajj Vote: 5-0

4.1. Approval of Memorandum of Understanding Between California Healthy Kids Regional Center and Santee School District and Implementation Plan 2011

President Ryan confirmed with Mrs. Baranski that parents have the availability to see the 7th grade questions. Mrs. Baranski said the questions will be accessible online as they were previously. President Ryan asked if these were the same questions asked last time the survey was done. Mrs. Baranski said all of the questions are the same except the addition of an anger question and the Internet questions were removed. President Ryan would like to see last year's responses to the college questions.

Member Burns moved to approve the Memorandum of Understanding with California Healthy Kids Regional Center to support valuable data collection for federal grant requirements as well as the questions and modules included in the implementation plan.

Motion: Burns Second: Bartholomew Vote: 5-0

F. BOARD COMMUNICATION

Administration presented a draft for the ECHO special edition page. President Ryan believes we are missing an opportunity to share information to the community about the impact of the State budget. Member Bartholomew also believes it is important to advertise our fiscal status. Member El-Hajj suggested using bullets for short and concise messages and include the future plans for Pepper Drive in the modernization section. Board members would like to eliminate the technology section. Member Burns said a budget message could be confusing so the information has to be very clear. Member El-Hajj wanted to express the information that the District is okay now but there are issues that are looming. The Art item should publicize art in the classrooms.

Dr. Shaw said that he believes that with the information shared by the Board members, Executive Council can brainstorm a message that would deliver the right message. A draft will be sent to the Board for review.

Mr. Gabriel Pina shared that Dr. Shaw's recent School Messenger budget and attendance call was a good message.

Dr. Shaw presented the Board with a draft agenda for the Business Appreciation Breakfast. The program will spotlight students from each school and highlight each of the businesses attending, presenting them with a certificate of appreciation.

Dr. Shaw asked the Board for agenda topics for the Principals' meeting with the Board on April 5th. It was suggested to continue the topic from the last meeting about what programs they would want or not want to bring back when funds become available again. Dr. Shaw is also interested in discussing more in-depth about safe social student environments and getting students to be more accountable for their actions toward each other.

Dr. Shaw asked the Board if there were any suggestions as Administration begins to prepare for Salute to Excellence. Member El-Hajj loved the event last year, although she felt like there was a lot of shifting from one person to another. Member Burns would like to see the event off-site and not at a school to make it more special. He will check with Carlton Oaks Country Club to see if they might allow us to use the patio or room at no cost. It was recommended to begin the event at 6:00 p.m.

Member Burns reported that Karl Christensen, Minnie Malin, and he met with Pepper Drive staff for the budget presentation. As the presentation concluded, modernization dominated the conversation. Several Pepper Drive staff said they have not been communicated with about the timeline for their modernization. Someone had heard that they were not being modernized because they were in El Cajon. Member Burns explained that was not the case but since they were modernized a number of years ago, they were not eligible for funds for modernization for 25 years, which is in 2017. The staff seemed very shocked like they had not heard that information previously. Member Burns told them he would come to the Board and put together a mechanism of communication to Pepper Drive staff. Administration presented a timeline of Board actions for Pepper Drive.

Dr. Shaw recommends returning for a meeting with any interested staff. Administration can share the responses to their questions and the "quick starts" which include the already in place new parking lot, painting, and signage.

Member Burns recalled Pepper Drive was originally in Phase I, even picking colors and told to start packing. When it was discovered we could not get funds the Board moved forward with Carlton Hills. Member El-Hajj remembers going to Pepper Drive with Dr. Johnson and delivering several messages: 1) Things were grim but the concern about laying people off overshadowed everything else, 2) They were not in it alone, and 3) Pepper Drive would not be modernized until they became eligible for State funds. Dr. Shaw said they didn't hear they would not be modernized until 2017.

Member Burns believes it is important to provide the information in writing so everyone gets it; the staff and community. Dr. Shaw will put together a communiqué to include some history, what was correct at the time, and what is going to occur at Pepper Drive. Member Bartholomew said it is always difficult to be last.

G. CLOSED SESSION

President Ryan announced that the Board would meet in closed session for:

1. **CONFERENCE WITH LABOR NEGOTIATOR** (Govt. Code § 54956.8)
Agency Negotiator: Karl Christensen, Assistant Superintendent
Employee Organizations: Santee Teachers Association
2. **CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION**
Initiation of litigation pursuant to subdivision (c) of Government Code Section 54956.9 (One potential case)

The Board entered closed session at 8:11 p.m.

H. RECONVENE TO PUBLIC SESSION

The Board reconvened to public session at 8:35 p.m. No action was reported. The Board continued Board Communication/Organizational Business.

Member Burns asked Dr. Shaw to extend an invitation to the Principals and Vice Principals to attend Honoring Our Own.

Member Ryan attended the Pepper Drive student presentation required by the Board. She felt it was very effective and heard student comments that it made them stop and think. The student did a good job and took the responsibility seriously. The audience was very focused on her presentation. Member Burns shared a concern that it created a lot of work for the site administration.

Board Members wished to discuss communication with the press and recent published articles. Member Bartholomew said the Patch is not a news organization but a community interest and opinion organization. In a recent article, an author used an interview with an individual to promote his own opinion on a controversial matter. He cautioned staff about sharing opinions with the press that may not be in agreement with District objectives. The Board would like to be notified when staff has contact with the press and be made aware of pending articles. Member Burns suggested Administrators report media contacts to Dr. Shaw and Dr. Shaw will share the information with the Board.

Member Fox attended the CSBA two-day workshop. There was a lot of information. He learned that he is very happy to be on a Board surrounded with experienced member and that it will make him a better Board Member.

Member Bartholomew heard Warren Savage is retiring as the Executive Director of the Chamber of Commerce and would like to recognize him. President Ryan will find out what the Chamber is doing for Mr. Savage and maybe the Board can do something at that time.

I. ADJOURNMENT

The March 15, 2011 regular meeting adjourned at 8:50 p.m.

SANTEE SCHOOL DISTRICT
SPECIAL MEETING
OF THE BOARD OF EDUCATION

February 23, 2011

MINUTES

Douglas E. Giles
Educational Resource Center
9619 Cuyamaca Street
Santee, California

A. A.CALL TO ORDER AND APPROVAL OF AGENDA

1. Call to Order

President Ryan called the meeting to order at 6:00 p.m.

Members present:

Barbara Ryan, President

Dan Bartholomew, Vice President

Dianne El-Hajj, Clerk

Ken Fox, Member

Dustin Burns, Member

Administration present:

Dr. Patrick Shaw, Superintendent and Secretary to the Board

B. PUBLIC COMMUNICATION

There were no comments from the public.

C. BOARD WORKSHOP

1. **Team Building**

Board members and the Superintendent reviewed Board Bylaws 9000 through 9200 which reflect the responsibilities and roles of the Board in governance of the school district. Board member and the Superintendent reviewed CSBA's governance standards and developed governance standards for Santee School District. These governance standards will be compiled and brought to the Board at a future meeting for adoption. The Board also requested the title of Board Bylaw 9000 be changed to "Responsibilities" of the Board.

D. ADJOURNMENT

With no further business to be discussed, the February 23, 2011 special meeting was adjourned at 8:10 p.m.

Dianne El-Hajj, Clerk

Dr. Patrick Shaw, Secretary

SANTEE SCHOOL DISTRICT
SPECIAL MEETING OF THE BOARD OF EDUCATION

Douglas E. Giles Educational Resource Center
9619 Cuyamaca Street
Santee, California

MINUTES
February 24, 2011

A. CALL TO ORDER

The meeting was called to order at 6:00 p.m. by President Ryan.

Members present:

Barbara Ryan, President
Dianne El-Hajj, Clerk
Ken Fox, Member
Dustin Burns, Member

B. PUBLIC COMMUNICATION

There were no comments from the public.

C. CLOSED SESSION

1. Consideration of Student Matters (Ed. Code S48918) Student #6-10

The Board entered Closed Session at 6:00 p.m. for student discipline hearings for student #6-10. Oral and documentary evidence were received.

The parents of students #7-10 and #8-10 requested to have the hearings in open session so family members and friends could be in attendance.

D. RECONVENE TO OPEN SESSION -Students #7-10 and #8-10

1. Consideration of Student Matters

The Board reconvened to open session for student discipline hearings for students #7-10 and #8-10. Oral and documentary evidence were received.

Following the evidentiary hearings for students #7-10 and #8-10, President Ryan announced that the Board members would deliberate on all three student cases and all other persons were asked to leave the room.

D. CLOSED SESSION

The Board entered closed session for deliberations.

E. RECONVENE TO OPEN SESSION

The Board reconvened to open session at 9:21 p.m.

1. Action on Student Hearings

It was motioned by Member Burns to expel student #6-10 from the Santee School District from February 24, 2011 to June 22, 2011 for violations of California Education Code Section 48900 (c) Possessed, used, sold, furnished or been under the influence of alcohol, intoxicant, or controlled substance as defined in the Health & Safety Code. This action is based on the following Findings of Fact in accordance with California Education Code §48900.2:

- *Education Code Section 48915(b)(2) Due to the nature of the act, the presence of the pupil causes a continuing danger to the physical safety of the pupil or others. The facts that support this conclusion are: Student #6-10 possessed and consumed alcohol on a school campus and provided it to other students who also consumed it.*

The expulsion shall be immediately suspended herewith, and the student shall complete the following elements in a Rehabilitation Plan. The student shall:

- Remain at the Santee Success Program through March 14, 2011. The student may not return to previous school upon completion of the Rehabilitation Plan.
- Maintain 3.0 GPA for academic, effort, and citizenship performance.
- Receive no new suspensions.
- Attend school regularly with no unexcused absences or tardies.
- Complete a counseling program by June 1, 2011, for anger management, decision-making and peer pressure, and drug and alcohol abuse prevention/treatment.
- The student shall not participate in end-of-year 8th grade social activities but may participate in the promotion ceremony.
- Complete all elements of this Rehabilitation Plan by June 22, 2011, and present documentation to verify completion.

A parent must meet with the Coordinator of Student Behavior by March 3, 2011, to review and sign the Rehabilitation Plan. If the parent fails to meet within the designated time and/or does not sign the Rehabilitation Plan, the student may be expelled without further Board action. Upon satisfactory completion of all activities in the rehabilitation plan, the student record will be expunged of this expulsion order.

Motion: Burns

Second: El-Hajj

Vote: 4-0

It was motioned by Member El-Hajj to expel student #7-10 from the Santee School District from February 24, 2011 to June 22, 2011 for violations of California Education Code Section 48900 (c) Possessed, used, sold, furnished or been under the influence of alcohol, intoxicant, or controlled substance as defined in the Health & Safety Code. This action is based on the following Findings of Fact in accordance with California Education Code §48900.2:

- *Education Code Section 48915(b)(2) Due to the nature of the act, the presence of the pupil causes a continuing danger to the physical safety of the pupil or others. The facts that support this conclusion are: Student #7-10 consumed alcohol on a school campus.*

The expulsion shall be immediately suspended herewith, and the student shall complete the following elements in a Rehabilitation Plan:

- A- Remain at current school through June 22, 2011 or
B- Remain at current school through March 14, 2011 at which time student can return to previous school if parent agrees that student will organize and participate in a public assembly for all 7th & 8th graders at the previous school advising the effects of student's poor choice and the dangers of alcohol.
- Maintain 3.0 GPA for academic, effort, and citizenship performance.
- Receive no new suspensions.
- Attend school regularly with no unexcused absences or tardies.
- Complete a counseling program by June 1, 2011, for decision-making/peer pressure and drug and alcohol abuse prevention/treatment.
- The student shall not participate in end-of-year 8th grade social activities but will be allowed to participate in the promotion ceremony.

A parent must meet with the Coordinator of Student Behavior by March 3, 2011, to review and sign the Rehabilitation Plan. If the parent fails to meet within the designated time and/or does not sign the Rehabilitation Plan, the student may be expelled without further Board action. Upon satisfactory completion of all activities in the rehabilitation plan, the student record will be expunged of this expulsion order.

Motion: El-Hajj

Second: Fox

Vote: 3-1 (Burns opposed)

It was motioned by Member Fox to expel student #8-10 from the Santee School District from February 24, 2011 to June 22, 2011 for violation of California Education Code Section 48900 (c) Possessed, used, sold, furnished or been under the influence of alcohol, intoxicant, or controlled substance as defined in the Health & Safety Code. This action is based on the following Findings of Fact in accordance with California Education Code §48900.2:

- *Education Code Section 48915(b)(2) Due to the nature of the act, the presence of the pupil causes a continuing danger to the physical safety of the pupil or others. The facts that support this conclusion are: Student #8-10 consumed alcohol on a school campus.*

The expulsion shall be immediately suspended herewith, and the student shall complete the following elements in a Rehabilitation Plan:

- A- Remain at current school through June 22, 2011 or
B- Remain at current school through March 14, 2011 at which time student can return to previous school if parent agrees that student will organize and participate in a public assembly for all 7th & 8th graders at previous school advising the effects of student's poor choice and the dangers of alcohol.
- Maintain 3.0 GPA for academic, effort, and citizenship performance.
- Receive no new suspensions.
- Attend school regularly with no unexcused absences or tardies.
- Complete a counseling program by June 1, 2011, for decision-making/peer pressure and drug and alcohol abuse prevention/treatment.
- The student shall not participate in end-of-year 8th grade social activities but will be allowed to participate in the promotion ceremony.
- Complete all elements of this Rehabilitation Plan by June 22, 2011, and present documentation to verify completion.

A parent must meet with the Coordinator of Student Behavior by March 3, 2011, to review and sign the Rehabilitation Plan. If the parent fails to meet within the designated time and/or does not sign the Rehabilitation Plan, the student may be expelled without further Board action. Upon satisfactory completion of all activities in the rehabilitation plan, the student record will be expunged of this expulsion order.

Motion: Fox

Second: El-Hajj

Vote: 3-1 (Burns, opposed)

E. ADJOURNMENT

The February 24, 2011 special meeting adjourned 9:35 p.m.

SANTEE SCHOOL DISTRICT
SPECIAL MEETING OF THE BOARD OF EDUCATION

Douglas E. Giles Educational Resource Center
9619 Cuyamaca Street
Santee, California

MINUTES
March 22, 2011

A. CALL TO ORDER

The meeting was called to order at 6:00 p.m. by President Ryan.

Members present:

Barbara Ryan, President
Dan Bartholomew, Vice President
Dianne El-Hajj, Clerk
Ken Fox, Member
Dustin Burns, Member

B. PUBLIC COMMUNICATION

There were no comments from the public.

C. CLOSED SESSION

1. Consideration of Student Matters (Ed. Code S48918) Students #9-10 and #10-10

The Board entered Closed Session at 6:00 p.m. for student discipline hearings for students #9-10 and #10-10. Oral and documentary evidence were received. President Ryan announced that the Board members would deliberate and all other persons were asked to leave the room.

D. RECONVENE TO OPEN SESSION

The Board reconvened to open session at 7:10 p.m.

1. Action on Student Hearings

It was motioned by Member Burns to expel student #9-10 from the Santee School District from March 22, 2011 to June 22, 2011 for violations of California Education Code Section 48900 (c) Possessed, used, sold, furnished or been under the influence of alcohol, intoxicant, or controlled substance as defined in the Health & Safety Code, Santee School District Board Policies 5144.1: Pupil Discipline: Suspension and Expulsion 5144.4: Administrative Review, and related Administrative Regulations. This action is based on the following Findings of Fact in accordance with California Education Code §48900.2:

- *Education Code Section 48915(b)(1) Other means of correction are not feasible or have repeatedly failed to bring about proper conduct. The facts that support this conclusion are: Student #9-10 has violated two administrative review contracts, possessed and distributed prescription medication while at school and has been unable to maintain appropriate behaviors during his placement at the district's community day school.*

The expulsion shall be immediately suspended herewith, and the student shall complete the following elements in a Rehabilitation Plan:

- Remain at the Santee Success School through June 22, 2011.
- Maintain 2.5 GPA for academic, effort, and citizenship performance.
- Receive no new suspensions.
- Attend school regularly with no unexcused absences or tardies.
- Adhere to a student behavior plan developed by school administration.
- Complete a counseling program by June 1, 2011, for decision-making and peer pressure, anger management, and drug/alcohol abuse prevention/treatment.
- Remain free of illegal substances and participate in a drug testing program.
- Attend Juvenile Hall Open House on May 21, 2011 and present attendance verification.
- Complete all elements of this Rehabilitation Plan by June 22, 2011 and present documentation to verify completion.

A parent must meet with the Coordinator of Student Behavior by March 29, 2011, to review and sign the Rehabilitation Plan. If the parent fails to meet within the designated time and/or does not sign the Rehabilitation Plan, the student may be expelled without further Board action. Upon satisfactory completion of all activities in the rehabilitation plan, the student record will be expunged of this expulsion order.

Motion: Burns

Second: El-Hajj

Vote: 5-0

It was motioned by Member El-Hajj to expel student #10-10 from the Santee School District from March 22, 2011 to June 22, 2011 for violations of California Education Code Section 48900 (c) Possessed, used, sold, furnished or been under the influence of alcohol, intoxicant, or controlled substance as defined in the Health & Safety Code, Santee School District Board Policies 5144.1: Pupil Discipline: Suspension and Expulsion 5144.4: Administrative Review, and related Administrative Regulations. This action is based on the following Findings of Fact in accordance with California Education Code §48900.2:

- *Education Code Section 48915(b)(2) Due to the nature of the act, the presence of the pupil causes a continuing danger to the physical safety of the pupil or others. The facts that support this conclusion are: Student #10-10 brought and consumed alcohol on a school campus.*

The expulsion shall be immediately suspended herewith, and the student shall complete the following elements in a Rehabilitation Plan:

- Transfer to a school determined by administration through June 22, 2011.
- Upon completion of the rehabilitation plan, the student may not return to previous school.
- Maintain 2.5 GPA for academic, effort, and citizenship performance.
- Receive no new suspensions.
- Attend school regularly with no unexcused absences or tardies.
- Complete a counseling program by June 1, 2011 for decision-making/peer pressure/self-esteem.
- The student may participate in 8th grade graduation activities.
- Complete all elements of this Rehabilitation Plan by June 22, 2011 and present documentation to verify completion.

A parent must meet with the Coordinator of Student Behavior by March 29, 2011, to review and sign the Rehabilitation Plan. If the parent fails to meet within the designated time and/or does not sign the Rehabilitation Plan, the student may be expelled without further Board action. Upon satisfactory completion of all activities in the rehabilitation plan, the student record will be expunged of this expulsion order.

Motion: El-Hajj

Second: Fox

Vote: 5-0

E. ADJOURNMENT

The March 22, 2011, special meeting adjourned 9:20 p.m.

Consent Item E.2.1. Approval/Ratification of Travel Requests
Prepared by Karl Christensen
April 5, 2011

BACKGROUND:

In accordance with BP 3350 of the Board of Education, an employee may attend conventions, conferences, or meetings of boards, committees, and commissions; to travel for the purpose of recruiting personnel; to visit other school districts; to appear before legislative committees; and to perform other out-of-district travel which is in the best interests of the school district and which assists employees to perform their jobs successfully.

In accordance with Sections 35044, 35172, and 35173 of the Education Code, the Board of Education shall provide for payment of travel expenses for any representative of the Board when performing services on behalf of the District. In the summer of 2008, following implementation of the Formatta Software, a network-based paperless forms travel processing solution was introduced District-wide in accordance with BP 3350 and AR 3350.

A list of travel and professional staff events is presented for the Board's review and approval/ratification. Included on the report are dates, names of meetings and locations, and either categorical, grant, or general funding sources that support such travel.

A list of requests for travel which require air travel, and/or an overnight stay and/or are out of the State will be reviewed and approved by the Executive Council or Superintendent and submitted to the Board of Education for approval **prior** to the travel date.

RECOMMENDATION:

It is recommended that the Board of Education approve/ratify the Travel Report for personnel requesting travel on the attached schedule.

This recommendation supports the following District goal:

- Establish a staff development program as the cornerstone of effective instructional programs and employee performance.

FISCAL IMPACT:

The estimated travel expenses are \$390, as disclosed on the following page.

STUDENT ACHIEVEMENT IMPACT:

This is a fiscal item. All fiscal resources impact student achievement.

Motion:		Second:		Vote:		Agenda Item E.2.1.
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Board Travel Report - April 5, 2011									
Travel Dates	Attendees	Site or Dept	Conference or Workshop	Location	Sub Cost	Estimated Expenses	Budget	Purpose of Overnight, Out-of-State, Air Travel	
Monday 05/16/11	Ana Hubbell Kirsten Stretton Carly Hilfiker	PD CP HC	Best Practices in Bullying Prevention	San Diego	\$0 \$0 \$0	\$130 \$130 \$130	Santee Cares Santee Cares Santee Cares	This workshop will provide information on current trends and prevention/ intervention techniques relating to indirect /direct cybur bullying.	

Consent Item E.2.2 Acceptance of Donations
 Prepared by Karl Christensen
 April 5, 2011

BACKGROUND:

Board of Education policy #3290 specifies that gifts and donations, with a value over \$50, must be officially received by the Board of Education. The following donation has been offered to the District:

<i>Item</i>	<i>Approximate Value</i>	<i>Donated By</i>	<i>Designated For Use At</i>
Funds to Support the Reading Program	\$124.08	Barnes & Noble Booksellers	PRIDE Academy at Prospect Avenue School
TOTAL DONATIONS RECEIVED	\$124.08		

RECOMMENDATION:

Administration recommends acceptance of the donation listed above for the District and authorization to send letters of appreciation on behalf of the governing Board.

This recommendation supports the following District goals:

- Assure the highest level of educational achievement for all students.
- Pursue actively the funding and resources to fulfill our mission and maintain fiscal solvency.

FISCAL IMPACT:

The donation above is valued at \$124.08.

STUDENT ACHIEVEMENT IMPACT:

This is a fiscal item. All fiscal resources impact student achievement.

Motion:		Second:		Vote:		Agenda Item E.2.2.
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BACKGROUND:

From time to time, the District contracts with individuals, companies, or organizations to provide various types of services within the following scopes:

- Consultants: Those providing professional advice or specialized technical or training services
- General Service Providers: Those providing general services not fitting the description of a consultant

The Internal Revenue Service requires an analysis of the nature and type of work performed to determine whether the service provider qualifies as an independent contractor to be paid by commercial warrant or an employee to be paid by payroll warrant for withholding and payment of appropriate payroll taxes. This analysis generally involves an assessment of the degree of control the District will have over the service provider's schedule and work methods.

The attached table presents requests for Consultants and General Service Providers. (NOTE: Those providing services on an annual, on-going basis are approved separately by the Board as Annual Contract Renewals)

RECOMMENDATION:

It is recommended that the Board of Education approve agreements with Consultants and General Service Providers as presented.

This recommendation supports the following District goal:

- Pursue actively the funding and resources to fulfill our mission and maintain fiscal solvency.

FISCAL IMPACT:

The fiscal impact is disclosed on the attached page.

STUDENT ACHIEVEMENT IMPACT:

This is a fiscal item. All fiscal resources impact student achievement.

Motion:		Second:		Vote:		Agenda Item E.2.3.
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Vendor Name	Type (Consultant or General Service Provider)	Description of Services	Date(s) of Service	Amount	Funding	Payment Type (Independent Contractor or Employee)
Atsuko Ritchie	Consultant	Bilingual Interpreter - Testing/Translations in Japanese	03/20/11 - 06/15/15	\$15/Oral Translations \$20/Testing \$20/Written Translations	EIA/LEP	Independent Contractor
Pat Peterson	Consultant	Professional Development GATE Inservice	03/30/11 - 05/11/11	\$150/Inservice X 2 dates	Title I	Independent Contractor
Rhythms of Life	Consultant	Staff Team Building Program and Children's Assemblies	06/01/11 - 06/30/12	\$1,290/ session	OST Programs	Independent Contractor
Street Beat	Consultant	Percussion School Assemblies	06/27/11 - 06/27/12	\$1,200.00	OST Programs	Independent Contractor

Consent Item E.2.4. Approval of Uniform Complaint Quarterly Report Required by the Williams Settlement

Prepared by Karl Christensen
April 5, 2011

BACKGROUND:

The Williams Settlement requires school districts to submit quarterly reports to the San Diego County Office of Education (SDCOE) on complaints each district has received related to instructional materials, emergency facilities issues, and teacher vacancies and mis-assignments. The report must include the number of complaints in each area that have been received, resolved, and unresolved. The report must be publicly reported on a quarterly basis at a regularly scheduled meeting of the district’s governing board (Ed Code § 35186(d)) and is due to SDCOE thirty (30) days following the close of each quarter.

SANTEE SCHOOL DISTRICT Uniform Complaint Quarterly Report January 1, 2011 through March 31, 2011			
	Number of Complaints Received in Quarter	Number of Complaints Resolved	Number of Complaints Unresolved
Instructional Materials	0	0	0
Facilities	0	0	0
Teacher Vacancy and Mis-assignment	0	0	0
Total	0	0	0

RECOMMENDATION:

It is recommended that the Board of Education approve the Uniform Complaint Report for the quarter ending March 31, 2011 and authorize administration to submit the report to SDCOE.

FISCAL IMPACT:

There is no direct fiscal impact but there is staff in-kind time involved in researching, assembling, and developing this report.

STUDENT ACHEIVEMENT IMPACT:

The Williams Law mandates that staff engage in procedures that ultimately may have an impact on student achievement.

Motion:		Second:		Vote:		Agenda Item E.2.4.
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Consent Item E.2.5.
Prepared by Karl Christensen
April 5, 2011

Approval/Ratification of Agreement with Riverview
Community Church for Use of Facilities at Cajon
Park School

BACKGROUND:

Riverview Community Church is currently using the facilities of another church here in Santee to conduct evening services. Due to circumstances beyond their control, Riverview will no longer be in those facilities as of the end of March and has approached the District regarding use of a school on a temporary basis until they can find a permanent location.

The church has indicated a need for less than a year and their Use of Facilities request is through the end of December. Since this transaction represents a longer-term use of facilities, administration recommends execution of an Agreement with the church to clearly define responsibilities and terms.

The church wishes to conduct two morning services; one at 9:00 a.m. and another at 11:00 a.m., and use our facilities from 6:30 a.m. to 1:00 p.m. each Sunday. They expressed need for a multi-purpose room and up to five (5) classrooms but could get by with as few as three (3) classrooms. Staff has identified Cajon Park School as the site most conducive to meeting the church's needs and the District's constraints.

The City of Santee has indicated that the church may need to apply for a Conditional Use Permit. The City is investigating further but will not likely have an answer before the first requested day of use on April 3, 2011. The Agreement incorporates notification of the possibility of this requirement and the church's duty to resolve this issue to the satisfaction of the City.

RECOMMENDATION:

It is recommended that the Board of Education approve/ratify the Agreement with Riverview Community Church for use of Cajon Park facilities every Sunday through the end of December 2011, or until the church finds permanent facilities, whichever occurs first.

This recommendation supports the following District goal:

- Pursue actively the funding and resources to fulfill our mission and maintain fiscal solvency.

FISCAL IMPACT:

Riverview Community Church will pay the District \$180 per week for direct costs pursuant to Board Policy.1330.

STUDENT ACHIEVEMENT IMPACT:

This is a fiscal item. All fiscal resources impact student achievement.

Motion:		Second:		Vote:		Agenda Item E.2.5.
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AGREEMENT FOR EXTENDED USE OF FACILITIES

This AGREEMENT is executed and entered into this 31st day of March, 2011, by and between the Santee School District (“DISTRICT”) and the Riverview Community Church (“TENANT”), collectively referred to as the “PARTIES.”

RECITALS

WHEREAS, TENANT currently rents from an existing church in Santee (“Current Facilities”) to conduct church related services and events on Sunday evenings; and,

WHEREAS, TENANT must vacate its Current Facilities as of March 31, 2011 due to reasons beyond its control and has no place to congregate as of April 1, 2011; and,

WHEREAS, TENANT has expressed a desire to use a DISTRICT School on a temporary basis for less than a year to continue conducting its services and events until a permanent facility can be found; and,

WHEREAS, TENANT has expressed need for a Multi-Purpose Room and up to five (5) classrooms with a minimum essential number of classrooms of three (3); and,

WHEREAS, TENANT expects up to 125 attendees in each of two (2) services to be scheduled for 9am and 11am Sunday mornings with one (1) hour between services for the smooth transition of people and vehicles; and,

WHEREAS, DISTRICT has identified Cajon Park (“Site”) as available and most conducive to fitting the needs of TENANT and constraints of DISTRICT; and,

WHEREAS, DISTRICT can make the Multi-Purpose Room, three to four (3-4) classrooms, and sufficient bathrooms (“District Facilities”) at the Site available for TENANT’s use on Sundays; and,

WHEREAS, the DISTRICT’s Governing Board has determined that churches qualify for use of facilities at the “Direct Costs” level of fee assessment in accordance with Board Policy 1330; and

WHEREAS, the PARTIES wish to ensure that each organization’s roles and responsibilities in reference to use of District Facilities are clearly defined;

The PARTIES hereby agree as follows:

TERMS

1. DISTRICT shall make District Facilities available for TENANT to use each Sunday morning beginning April 3, 2011 and ending December 25, 2011, unless the PARTIES agree in writing to extend this AGREEMENT.
2. TENANT shall have use of District Facilities from 6:30 a.m. to 1:00 p.m. Any use beyond this time shall require prior written approval of DISTRICT.
3. TENANT shall pay for the Direct Costs reasonably assumed to be incurred by DISTRICT for the use of District Facilities each week more clearly defined as follows:

- a. Custodial Service Costs to open District Facilities at 6:30 a.m., close the site at 1:00 p.m., clean and restock restrooms, and clean and prepare the District Facilities for school the next day:
 - i. 4 hours at \$30.25 per hour = \$121
 - b. HVAC/Utility Costs = \$35
 - c. Custodial Supplies Costs = \$25
 - d. Total weekly cost = \$181.00
 - e. DISTRICT shall invoice TENANT at the end of each calendar month for use of District Facilities for that month.
 - f. TENANT shall pay invoice within 10 calendar days of receipt.
 - i. In the event that TENANT is late with a payment, DISTRICT may change payment arrangements to require TENANT to pay past due amounts in full and for each upcoming week of facility use in advance before allowing use for the upcoming week (“Pay in Advance”).
 - ii. In the event that amounts due by TENANT remain outstanding after the DISTRICT alters to the Pay in Advance system, DISTRICT may terminate this AGREEMENT and TENANT’s use of District Facilities with no further advance notice.
4. TENANT shall provide DISTRICT with a copy of a liability insurance policy naming DISTRICT as additional insured with minimum coverage of \$1,000,000 per incident and \$2,000,000 in the aggregate prior to first use on April 3, 2011.
 5. TENANT shall provide DISTRICT with at least 72 hours advance notice if District Facilities will not be used on an upcoming Sunday to allow time for cancellation of the assigned custodian. In the event that TENANT fails to provide 72 hours advance notice, TENANT shall pay Custodial Service Costs for that week.
 6. TENANT shall not borrow, consume, or use any DISTRICT materials, furniture, equipment, or supplies except for chairs in the multi-purpose room; and tables, desks, or chairs within classrooms. All chair setups in multipurpose room shall be done by TENANT. All desks and chairs must be kept in place in classrooms and returned to chair storage in multipurpose room.
 7. TENANT shall take reasonable steps to leave District Facilities in the same or better condition each week as they were in when TENANT arrived. This includes the position of all furniture and other items in classrooms and the Multi-Purpose Room as well as the cleanliness of bathrooms and the grounds of the Site.
 8. TENANT shall be responsible for payment to DISTRICT to replace or repair any damage/loss to furniture, equipment, facilities, or personal items of staff members in classrooms caused by TENANT.
 9. TENANT shall notify DISTRICT immediately of any damage/loss to DISTRICT equipment, furniture, or facilities.
 10. TENANT shall ensure that food and drinks are kept and consumed outside and not brought into or consumed in District Facilities. TENANT shall ensure that all outside areas are cleaned up after any food and drink service/consumption and all trash is put in proper trash receptacles.
 11. TENANT agrees to be aware of and comply with all sound noise ordinances and fire, safety, and access codes and regulations regarding maximum occupancies and paths of travel. TENANT understands that the maximum occupancy of the Multi-Purpose Room is 514. TENANT shall not use any candles.

12. TENANT shall not put any signage on the school marquee and comply with City sign ordinances and DISTRICT sign policies. TENANT shall remove all equipment, signage, and materials distributed/installed by TENANT from the Site each week.
13. TENANT shall not distribute or cause to be distributed any materials advertising or announcing church services or events at the Site before, during, or after school.
14. TENANT shall not conduct any special events other than the 9:00 a.m. and 11:00 a.m. church services without prior written approval of DISTRICT.
15. TENANT shall not erect or use any recreational devices or equipment; including but not limited to, inflatable structures, trampolines, climbing walls, or rides, on the Site without prior written approval of DISTRICT.
16. TENANT shall take reasonable steps to ensure that attendees park vehicles only in designated paved parking stalls or allowed street parking areas. TENANT shall arrange for adequate traffic control at parking lots. TENANT understands that parking and vehicles are not allowed on the school campus or play areas.
17. TENANT understands that school business takes priority over use of facilities by outside entities. DISTRICT reserves the right to cancel use of District Facilities by TENANT for a week or weeks if a school event is scheduled for Sunday or an emergency situation arises. DISTRICT shall make every attempt to provide at least 72 hours advance notice to TENANT if possible and practical.
18. TENANT understands that classrooms provided by DISTRICT may not be configured or suitable for certain age groups and will take reasonable steps to ensure the safety of children in those classrooms at all times through adequate adult supervision and temporary safeguards.
19. TENANT shall comply with all other policies and guidelines contained within DISTRICT Administrative Regulation 1330 not specifically delineated in this Agreement, a copy of which has been provided to TENANT.
20. TENANT understands that the City of Santee ("CITY") has indicated that a Conditional Use Permit may be necessary for TENANT to conduct church services in the City. City is investigating this further but may not have an answer before TENANT begins use of District Facilities. TENANT shall work cooperatively with the CITY to resolve this issue expeditiously and to the satisfaction of the CITY should the CITY conclude that the Conditional Use Permit is required.
21. Except as noted in 2fii above, DISTRICT or TENANT may terminate this Agreement for convenience with fifteen (15) days advance written notice to the other party.

In witness thereof, the PARTIES have caused this AGREEMENT to be executed and to be effective and operative upon the fixing of the last signature hereto.

Signatures of the PARTIES:

DISTRICT:

TENANT:

 Karl Christensen
 Assistant Superintendent Business Services

 Todd Tolson
 Senior Pastor

 Date

 Date

Consent Item E.2.6.
Prepared by Karl Christensen
April 5, 2011

Approval/Acceptance of SFNA Report
and Adoption of Resolution #1011-17 of
Alternative Fees (Developer Fees)

BACKGROUND:

Santee School District currently collects developer fees under Government Code Section 53080. Government Code Section 65995 provides that the maximum rates for Level 1 developer fees be changed according to an inflation adjustment for the cost of Class B construction. In January 2010, the State Allocation Board approved the maximum developer fee for live-able residential development, and commercial/industrial and rental self storage projects that may be levied on new development projects as follows:

The Level 1 fees are as follows:

Residential: \$2.97 per square foot of live-able area
Commercial/Industrial: \$0.47 per square foot of covered/enclosed area
Rental Self Storage: \$0.23 per square foot of rental self storage construction.

Grossmont Union High School District and the Santee School District have entered into an agreement whereby the elementary district is entitled to 62 percent of the Level 1 fee and the high school district is entitled to 38 percent.

Under Government Code section 65995.5, which was enacted pursuant to Chapter 40, Statutes of 1998 ("Senate Bill 50" or "SB 50"), and amended by Chapter 858, Statutes of 1999 ("Assembly Bill 695" or "AB 695"), a school district's governing board may establish alternative fees to offset the cost of school facilities made necessary by new construction following the making of certain findings.

The District commissioned Capitol Public Finance Group to prepare an updated analysis of our "School Facility Needs Analysis" (SFNA) dated April 2011 in accordance with the provisions of SB 50. The SFNA has determined the school facilities and educational programs of the District are seriously impacted by the increasing student population caused by new residential development within the boundaries of the District, and indicates that alternative fees are justified per Senate Bill 50. The District does not have sufficient funds available for the construction or reconstruction of school facilities to accommodate this increased student population. It is in the best interest of the students of the District to levy the alternative school facility fees on residential construction.

- A. Pursuant to Government Code Section 65995.5, a Level 2 fee in the amount of \$3.56 per square foot of new residential construction.
- B. Pursuant to Government Code Section 65995.7, a Level 3 fee in the amount of \$7.15 per square foot of new residential construction.

The new fees assessed by Santee School District will be:

Level 1 Fee		
Residential Construction	Commercial/Industrial Construction	New Rental Self Storage Construction
\$1.84 per square foot <i>(no change)</i>	\$0.29 per square foot <i>(no change)</i>	\$0.14 per square foot <i>(no change)</i>
Level 2 Fee - Alternative		
Residential Construction	Commercial/Industrial Construction	New Rental Self Storage Construction
\$3.56 per square foot <i>(from \$3.46 per square foot)</i>	N/A	N/A
Level 3 Fee – Alternative Full Amount		
Residential Construction	Commercial/Industrial Construction	New Rental Self Storage Construction
\$7.15 per square foot <i>(from \$6.93 per square foot)</i>	N/A	N/A

- Level 1 fees for commercial/industrial construction, and rental self storage construction will be imposed immediately after this resolution is adopted on April 5, 2011.
- Level 2 fees will be imposed on new residential construction immediately after this resolution is adopted on April 5, 2011. Level 2 fees increase from \$3.46 to \$3.56.
- Prior to the District imposing Level 3 fees on new residential construction, the State Allocation Board must be out of new construction state funds.

Notice of the proposed fee increase and the public hearing have been published in The San Diego Union Tribune on February 22, and March 1, 2011. The public hearing for the proposed implementation of the developer fee adjustment is scheduled for tonight. After the hearing has been concluded, this item will be presented to the Board of Education for approval.

The School Facilities Needs Analysis (SFNA), prepared by Capitol Public Finance Group, in April 2011, justified the District levying its portion of the maximum residential Level 2 Alternative School Fee. In addition, Sections 11 – 14 of the analysis has findings in support of Level 1 fees that the District shares with Grossmont Union High School District for all future residential development within its boundaries permissible under Assembly Bill (AB) 2926 and AB 1600 to provide housing for future student growth in the District.

A copy of the School Facilities Needs Analysis has been available to the public for at least thirty (30) days before the Board considered this resolution at a regularly scheduled public meeting and all required notices have been given.

RECOMMENDATION:

It is recommended that the Board of Education provide approval/acceptance of the updated School Facilities Needs Analysis and adopt Resolution #1011-17 to increase school facility fees in accordance with Government Code sections 65995.5, 65995.6 and 65995.7 for a one year term per SB 50. Re-adoption of alternative fees will be necessary on an annual basis.

This recommendation supports the following goals:

- Provide facilities that optimize the learning environment for all students.
- Pursue actively the funding and resources to fulfill our mission and maintain fiscal solvency.

FISCAL IMPACT:

Developer fee income will be \$3.56 per square foot for residential construction (an additional \$.10 per square foot from \$3.46) and \$0.29 per square foot for commercial/industrial construction (no change). Additionally, fees for new rental self storage construction will be assessed at \$0.14 per square foot (no change). These funds are deposited into Fund 25-18 Capital Facilities Funds to be used for expenses related to providing student housing. They may not be used for General Fund operating purposes.

STUDENT ACHIEVEMENT IMPACT:

This is a fiscal item related to facilities. All fiscal resources impact student achievement.

Motion:		Second:		Vote:		Agenda Item E.2.6.
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**RESOLUTION #1011-17
OF THE
SANTEE ELEMENTARY SCHOOL DISTRICT**

**ESTABLISHING SCHOOL FACILITIES FEES IN ACCORDANCE WITH THE
PROVISIONS OF SENATE BILL 50 AND ASSEMBLY BILL 695**

WHEREAS, under Government Code section 65995.5, which was enacted pursuant to Chapter 40, Statutes of 1998 ("Senate Bill 50" or "SB 50"), and amended by Chapter 858, Statutes of 1999 ("Assembly Bill 695" or "AB 695"), a school district's governing board may establish fees to offset the cost of school facilities made necessary by new construction following the making of certain findings by such governing board; and

WHEREAS, the Santee Elementary School District ("District") has undertaken a review of its eligibility to establish fees under the provisions of SB 50; and

WHEREAS, separate and apart from determining its eligibility to establish such fees, the District has prepared an analysis entitled "School Facility Needs Analysis", dated April 2011 (the "Needs Analysis") in accordance with the provisions of SB 50; and

WHEREAS, the District seeks to establish fees in accordance with and under the authority of SB 50 for the purpose of funding the construction and reconstruction of school facilities made necessary by development within the District's boundaries; and

WHEREAS, the District submitted an updated application to the State Allocation Board of the State of California for new construction funding on December 4, 2007, and has been determined to meet eligibility requirements for such construction in accordance with the provisions of the Government Code Section 65995.5(b)(1); and

WHEREAS, the District has placed a local bond measure on the ballot within the last four years and over 50% of the voters approved the bond measure as required by Government Code Section 65995.5(b)(3)(B); and

WHEREAS, the District has issued debt or incurred obligations for capital outlay totaling 15% of the local bonding capacity, including indebtedness repaid from property taxes, parcel taxes, general fund, special taxes, Mello-Roos funds approved by registered voters, Mello-Roos funds approved by landowners prior to November 4, 1998 as required by Government Code Section 65995.5(b)(3)(C); and

WHEREAS, in accordance with Government Code Section 65995.5, a purpose of this Resolution is to declare the District's eligibility for, and to establish fees under the provisions of SB 50 consistent with the information and data set forth in the Needs Analysis and upon such other information and documentation prepared by or on file with the District, as presented and described to the Board;

WHEREAS, the District has performed a study to assess the impact on the District's facilities from commercial, and industrial development and established a nexus between such development and the need for funding to construct and improve schools; and

WHEREAS, the State Allocation Board has established the maximum fee that can be levied by a school district is \$0.47 per square foot for commercial and industrial development for chargeable covered and enclosed space, which sums shall be used to fund the delivery of improvements to the District's facilities and construct new facilities.

NOW, THEREFORE BE IT HEREBY RESOLVED by the Governing Board of the Santee Elementary School District:

Section 1. Procedure: This Board hereby finds that prior to the adoption of this Resolution, the Board conducted a public hearing at its regular meeting at which oral and written presentations were made. Notice of the time and place of the public hearing, including a general explanation of the matter to be considered, has been published in a newspaper of general circulation in accordance with Government Code Section 65995.5(d), and a notice, including a statement that the Needs Analysis required by Government Code Section 65995.6 was available, was mailed at least 30 days prior to the public hearing to any interested party who had filed a written request with the District for mailed notice of the meeting on new or increased fees or service charges within the period specified by law. At least 30 days prior to the public hearing, the District made available to the public in its Needs Analysis, data indicating the amount of the cost, or estimated cost, required to provide the facilities for which the fee is to be levied pursuant to this Resolution, and the revenue sources anticipated to provide this service. By way of such public meeting, the Board received oral and written presentations by District staff which are summarized and contained in the District's Needs Analysis and the District's applications and related documents filed with the State Allocation Board pursuant to the State School Facility Program (hereinafter collectively referred to as the "Plan") along with other materials which formed the basis for the action taken pursuant to this Resolution.

Section 2. Findings: The Board has reviewed the provisions of the Needs Analysis and the Plan as they relate to proposed and potential development, the resulting school facilities needs, the cost thereof, and the available sources of revenue including the fees provided by this Resolution and based thereon and upon all other written and oral presentations to the Board, the Board hereby approves and adopts the Needs Analysis and makes the following findings:

- a) Enrollment at various schools of the District are nearing capacity;
- b) Additional residential, commercial and industrial development projects within the District will increase the need for school facilities;

- c) Without the addition of new school facilities, further residential, commercial and industrial development projects within the District will result in a significant decrease in the quality of education presently offered by the District;
- d) New residential, commercial and industrial development is projected within the District's boundaries and the enrollment produced thereby will exceed the capacity of the schools of the District. Projected development within the District, without additional school facilities, will result in conditions of overcrowding which will impair the normal functioning of the District's educational programs;
- e) The fees proposed in the Needs Analysis and levied pursuant to this Resolution are for the purpose of providing adequate school facilities and related support facilities to maintain the quality of education offered by the District;
- f) The fees proposed in the Needs Analysis and levied pursuant to this Resolution will be used for construction and reconstruction of school facilities as identified in the Needs Analysis;
- g) The uses of the fees proposed in the Needs Analysis and levied pursuant to this Resolution are reasonably related to the types of development projects on which the fees are imposed;
- h) The fees proposed in the Needs Analysis and levied pursuant to this Resolution bear a reasonable relationship to the need for school and support facilities created by the types of development projects on which the fees are imposed;
- i) The fees proposed in the Needs Analysis and levied pursuant to this Resolution do not exceed the estimated amount required to provide funding for the construction or reconstruction of school and support facilities for which the fees are levied; and in making this finding, the Board declares that it has considered the availability of all revenue sources anticipated to provide such facilities, including general fund revenue;
- j) The fees will be collected for school and support facilities for which an account has been established and funds appropriated and for which the District has adopted a construction schedule;
- k) The District has no other local sources of funds available to provide the funding for the school facilities provided in the school facilities plan.

Section 3. Residential Fee: Based upon the foregoing findings, the Board hereby establishes a new fee upon residential construction, to be known as the "Level 2 Fee," as follows:

- a) The Level 2 Fee for residential construction is hereby established and set at the rate of \$3.56 per square foot of residential development;

- b) The Level 2 Fee shall be collected as a precondition to the issuance of any building permit for construction within the District's boundaries.

Section 4. Determination of Eligibility:

- a) The District submitted a timely application to the State Allocation Board for new construction funding on December 4, 2007, and eligibility for such funding will be met in accordance with Government Code Section 65995.5(b)(1);
- b) The District has placed a local bond measure on the ballot within the last four years and over 50% of the voters approved the bond measure as required by Government Code Section 65995.5(b)(3)(B);
- c) The District has issued debt or incurred obligations for capital outlay totaling 15% of the local bonding capacity, including indebtedness repaid from property taxes, parcel taxes, general fund, special taxes, Mello-Roos funds approved by registered voters, Mello-Roos funds approved by landowners prior to November 4, 1998 as required by Government Code Section 65995.5(b)(3)(C); and
- d) The Board has reviewed the Needs Analysis along with such oral and written information as has been presented by District staff and consultants and has determined that the Needs Analysis meets the requirements of Government Code Section 65995.6 and is a suitable basis for the establishment of Level 2 Fees in accordance with the provisions of Government Code Section 65995.5.

Section 5. Determination of "Level 3 Fee": In accordance with the provisions of Government Code Section 65995.7, the District's Board is authorized to establish a fee in an amount higher than the Level 2 Fee in the event the State Allocation Board is no longer approving apportionments for new construction in accordance with Education Code Section 17072.20 due to lack of funds and the State Allocation Board has notified the Secretary and Chief Clerk of the Assembly, in writing, of the determination that such funds are no longer being allocated. In the event that on or before the Anniversary Date of this Resolution as defined below, the State Allocation Board is no longer approving apportionments due to inadequate funding and such fact is related to the appropriate state representatives, the Level 2 Fee may be supplemented with an additional fee amount which, when combined with the Level 2 Fee, shall be known as the "Level 3 Fee". The Level 3 Fee shall be established in the following amount:

- a) \$7.15 per square foot of residential development.

Section 6. Commercial/Industrial Fee: In accordance with Education Code section 17620, the District shall maintain the fees levied on commercial and industrial construction for non-rental self storage construction at \$0.29 per square foot. The fee levied on rental self storage construction shall be maintained at \$0.14 per square foot.

Section 7. Fee Adjustment and Limitations: The fees established herewith shall be subject to the following:

- a) The District's Level 2 Fee (or Level 3 Fee in the event it is implemented by the Board) shall be effective for a period of one year following the commencement date in this Resolution as set forth below (the "Anniversary Date") and shall be reviewed on or before the Anniversary Date, and annually thereafter to determine if such fee is to be re-established or revised.
- b) To the extent any other fees established by the District might be applied to the property subject to the Level 2 Fee established herein, such as fees levied through the terms of any contract entered into between the District and a person prior to November 4, 1998, or any other fees that are levied by the District, the District may elect to levy and collect such alternative fee rather than the Level 2 Fee established herein. In no event shall the District charge both the Level 2 Fee and such alternative fee that might be collected by the District.
- c) The Level 1 commercial/industrial fee may be increased for inflation as authorized by the State of California.

Section 8. Additional Mitigation Methods: The policies set forth in this Resolution are not exclusive, and the Board reserves the authority to undertake other or additional methods to finance school facilities including but not limited to the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 et seq.) and such other funding mechanisms as are authorized by Government Code Section 65996. This Board reserves the authority to substitute the dedication of land or other property or other form of requirement in lieu of the fees levied by way of this Resolution at its discretion, so long as the reasonable value of land to be dedicated does not exceed the maximum fee amounts contained herein or modified pursuant hereto.

Section 9. Implementation: For construction projects within the District, the Superintendent, or the Superintendent's designee, is authorized to issue Certificates of Compliance upon payment of any fee levied under the authority of this Resolution.

Section 10. California Environmental Quality Act: The Board hereby finds that the fees established pursuant to this Resolution are exempt from the provisions of the California Environmental Quality Act ("CEQA").

Section 11. Commencement Date: The Board orders that the fees established hereby shall take effect April 6, 2011 for residential alternative fees and continue for Level 1 fees.

Section 12. Notification of Local Agencies: The Secretary of the Board is hereby directed to forward copies of this Resolution along with a map of the District's boundaries to the Planning Departments of the City of Santee, City of El Cajon and the

City and County of San Diego, and to file a Notice of Exemption from the California Environmental Quality Act with the County Clerk of San Diego County.

Section 13. Severability: If any portion of this Resolution is found by a Court of competent jurisdiction to be invalid, such finding shall not affect the validity of the remaining portions of this Resolution. The Board hereby declares its intent to adopt this Resolution irrespective of the fact that one or more of its provisions may be declared invalid subsequent hereto.

APPROVED, PASSED AND ADOPTED by the Governing Board of the Santee School District this 5th day of April 2011, by the following vote:

AYES:
NOES:
ABSENT:

SANTEE ELEMENTARY SCHOOL DISTRICT

By: _____
President, Board of Education of the
Santee Elementary School District

ATTEST:

Clerk of the Board of Education
Santee Elementary School District

Consent Item E.3.1.
Prepared by Karl Christensen
April 5, 2011

Approval of Hard Drive Replacement of
Existing Mitel Phone Switch at the District
Office and School Sites

BACKGROUND:

The Mitel Phone System at the District Office and school sites is approximately 11 years old. There are a total of 9 Mitel SX2000 switches. There is a switch at the District Office Technology's Data Center and one switch at each of the schools, except Rio Seco School, whose phone service is running off the District's switch.

The hard drive in the phone switch holds the information on the phone circuit, call routing, DID (Direct Inbound Dialing) extension, name appearance, automated calling distribution, and call transfer. This information is the logic inside the physical phone switch.

Reliability of the existing Hard Drives

The existing hard drives are as old as the phone switches and some units are starting to experience data corruption. This is an indication of possible hardware failure. In the event of a hard drive failure, the phone service will be disrupted.

As part of the modernization work at Chet F. Harritt, Hill Creek, and PRIDE Academy at Prospect Avenue schools, phone switch modules must be replaced to switch from fiber to copper wiring. Administration recommends concurrent replacement of phone switch hard drives.

RECOMMENDATION:

It is recommended that the Board of Education approve the replacement of the hard drives and RSD Back-Up disk for the phone switches at the District Office and 8 school sites.

This recommendation supports the following District goal:

- Provide facilities that optimize the learning environment for all students.

FISCAL IMPACT:

The fiscal impact of the hardware and installation cost is as follows to be charged to Capital Improvement Program funds:

District Office SX-2000 Hard Disk Drive Upgrade and RSD Optical Disk	\$3,071.00
8 x School Sites SX-2000 Hard Disk Drive Upgrade and RSD Optical Disk	\$13,848.00
Freight	\$66.00
Sales Tax	\$779.10
Total	\$17,764.10

STUDENT ACHIEVEMENT IMPACT:

Replacement of the phone switch hard drives would ensure uninterrupted phone services to the District offices, schools and classrooms. Phone communication to the classrooms is important for student safety.

Motion:		Second:		Vote:		Agenda Item E.3.1.
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Consent Item E.3.2.
Prepared by Karl Christensen
April 5, 2011

Approval of Site DSA Inspector IOR
for Chet F. Harritt School Modernization

BACKGROUND:

The Division of State Architect (DSA) reviews and approves all school construction projects. Part of the construction process requires Inspectors of Record (IOR) services be assigned to the construction of school projects. These entities must be DSA-qualification approved.

RECOMMENDATION:

It is recommended that the Board of Education approve IOR services with Hendrix, California School Construction Services, for the Chet F. Harritt School modernization project.

This recommendation supports the following District goals:

- Provide facilities that optimize the learning environment for all students.
- Pursue actively the funding and resources to fulfill our mission and maintain fiscal solvency.

FISCAL IMPACT:

The fiscal impact of Phase 2 IOR and staff extension services will be funded from CIP funds, and Prop R bond proceeds. The fiscal breakdown is as follows:

Inspection Services (2 inspectors assigned)	\$66,600
Staff Extension Services	\$8,920

STUDENT ACHIEVEMENT IMPACT:

The Modernization/Capital Improvement Program plans will positively impact student learning environments.

Motion:		Second:		Vote:		Agenda E.3.2.
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March 7, 2011

Christina Becker, Director
Facilities and Modernization / Maintenance & Operations
Santee School District
9625 Cuyamaca Street
Santee, Ca. 92071

Ms. Becker:

RE: Chet Harritt Modernization inspection services and staff extension services for Santee School District.

In response to the tentative schedule provided by your contractor I propose to provide all DSA inspection services to certify the work meets the approved documents beginning June 25, 2011, continuing through November 18, 2011, utilizing 2 inspectors assigned as needed and permitted by DSA, for a price not to exceed \$66,600.00 and I will provide staff extension services for \$8,920.00.

All work will be inspected per plans provided by the District with approval stamp by DSA and the pricing is based on regular daytime construction work hours of 8 hours per day which will not include overtime hours, weekends, or recognized holidays.

All Hendrix California School Construction Services employees are covered by workers compensation insurance and all our services are covered by a \$1 million dollar error and omission insurance policy for your agencies protection.

The scope of our services will cover all required structural inspections, including foundations, reinforcing steel, gravity supports systems, building diaphragms, associated electrical, plumbing, and mechanical components, verification that all work is ADA compliant, and any other items not excluded below.

The scope of work for Hendrix California School Construction Services does not include review or auditing of Prevailing Wage payrolls or interviews of workers for Prevailing Wage purposes. Prevailing Wage audit services are available utilizing your board and State approved Labor Compliance Program and my personnel.

The scope of the service does not include creation of any contractor Recovery Schedules when the contractor has fallen behind schedule. However, we will assist the contractor to see potential construction problems that could create construction delays and suggest methods to avoid the potential delay or overcome a created delay by any party.

The scope of our service does not include certain special inspections or material testing and inspection as identified by DSA and the California Building Code that require an approved test lab and / or engineering supervision to accomplish the test.

The scope of our service dose not include for example, Geotechnical services, soil testing, structural masonry inspection, testing of fireproofing of steel columns or beams, welding inspection, epoxy anchor or shot pin pull tests, batch plant inspections or making of concrete cylinders, high strength bolt testing or torquing, or similar specialty types of inspections. We will however coordinate with your selected test lab to insure all required

testing is performed in a manner that will maintain the contractors reasonable schedule if provided adequate notice of inspection requirements by the contractor.

Hendrix California School Construction Services has not reviewed any drawings and the proposal is based strictly on the term of service for the particular projects identified above. In the event the contractor does not complete their work within the time frame they have identified, the following hourly rates for the extended time will apply, DSA Inspection \$80.00 per hour, Staff extension rates \$89.00 per hour

Additional services, if any, will be by mutual agreement, Hendrix California School Construction will bill for services rendered at the completion of each month specifying number of hours worked and the rate charged for that month in each category with payment due within 30 day's and all checks are to be made payable to: L. L. Hendrix.

Thank you for your interest in our services



L. L. "Don" Hendrix, JD.
Principal

Consent Item E.4.2. Approval of Pilot Expansion of the YALE Preschool Program at PRIDE Academy

Prepared by Minnie Malin
April 5, 2011

BACKGROUND:

Santee School District's YALE Preschool began providing wrap-around care for State Preschool and EAK students at PRIDE Academy at Prospect Avenue in January of 2011. In order to sustain the YALE program at PRIDE Academy, administration requests approval to pilot a program that would provide several affordable options for families in the surrounding community. This site would offer the following options: Wrap-Around Care for State Preschool and EAK students; Full-Time Care; Parent Participation Enrichment Classes; and Enrichment Classes without Parent Participation. Additionally, the hours at this site would be slightly different than other YALE sites in order to offer a lower rate for full-time care.

FEES

Current Programs

YALE Full-Time	\$150.00 / wk
State Preschool & EAK Wrap-Around Care (Before & After Care)	\$105.00 / wk
State Preschool & EAK Wrap-Around Care (After Care Only)	\$ 90.00 / wk
YALE 2-Day Enrichment Program (non-parent participation)	\$ 40.00 / wk
YALE 3-Day Enrichment Program (non-parent participation)	\$ 55.00 / wk
YALE 5-Day Enrichment Program (non-parent participation)	\$ 95.00 / wk

New Proposed Programs

YALE 2-Day Parent Participation Enrichment Program	\$ 28.50 / wk
YALE 3-Day Parent Participation Enrichment Program	\$ 38.50 / wk
YALE 5-Day Parent Participation Enrichment Program	\$ 66.50 / wk

PROJECTED COST AND REVENUE
(Profit – Loss Summary attached)

Income	\$112,077.00
Expenses	\$101,719.00
Undistributed	\$ 10,358.00

RECOMMENDATION:

Administration recommends the Board of Education approve the pilot expansion of YALE Preschool at PRIDE Academy that would include Wrap-Around Care for State Preschool and EAK students; Full-Time Care; Parent Participation Enrichment Classes; and Enrichment Classes without Parent Participation.

This recommendation supports the following District goal:

- Assure the highest level of educational achievement for all students.

FISCAL IMPACT:

The YALE preschool program is a self-sufficient, fee-based program.

STUDENT ACHIEVEMENT:

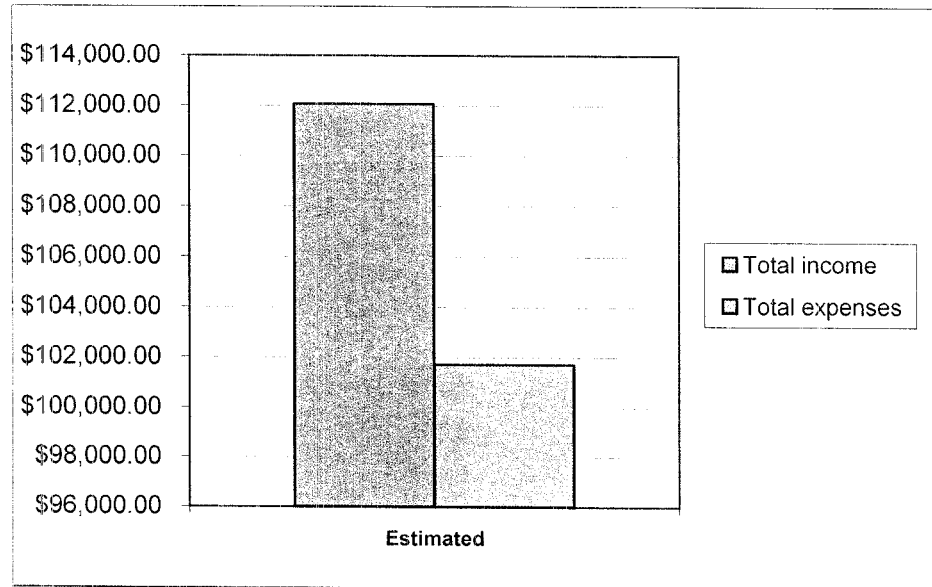
Attending a quality preschool program may increase a child’s success during the school years.

Motion:		Second:		Vote:		Agenda Item E.4.2.
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PRIDE ACADEMY YALE 2011 - 2012

Profit - Loss Summary

	Estimated
Total income	\$112,077.00
Total expenses	\$101,719.00
Total profit (or loss)	\$10,358.00



Consent Item E.4.3. Approval to License Classrooms at Carlton Hills School and Expand the YALE Preschool Program to Carlton Hills in January 2012

Prepared by Minnie Malin
April 5, 2011

BACKGROUND:

Due to the modernization at Hill Creek this summer, Hill Creek's YALE Preschool classes will be temporarily relocating to Carlton Hills School where they will remain until classrooms are available at Hill Creek. Classrooms should become available during the fall of 2011.

Sycamore Canyon's YALE Preschool will also be housed during the summer at Carlton Hills School in order to be located at a school site with Project SAFE. To accommodate these temporary moves, three (3) classrooms at Carlton Hills School must be licensed by the State. The cost to license three (3) classrooms at Carlton Hills School is approximately \$800.00. Fees for YALE Preschool will remain the same while in their temporary locations.

It remains a goal of YALE Preschool to expand to other schools within the Santee School District in order to provide a quality preschool experience in our neighborhood schools. Based on the rate of growth that YALE Preschool has experienced in the past three years, administration is recommending expanding the program as described below.

Following YALE Preschool's summer program and temporarily housing Hill Creek's YALE Program, Carlton Hills School will have licensed rooms available. Administration would like to offer Wrap-Around Care for EAK students at Carlton Hills School in January 2012. Fees for this program would be the same as currently in place at Hill Creek and Sycamore Canyon Schools and are listed below.

FEES

YALE Full-Time	\$165.00 / wk
EAK Wrap-Around Care (Before & After Care)	\$110.00 / wk
EAK Wrap-Around Care (After Care Only)	\$ 95.00 / wk
YALE 2-Day Enrichment Program (non-parent participation)	\$ 40.00 / wk
YALE 3-Day Enrichment Program (non-parent participation)	\$ 55.00 / wk
YALE 5-Day Enrichment Program (non-parent participation)	\$ 95.00 / wk

RECOMMENDATION:

Administration recommends the Board of Education approve the following:

1. Proceed with State licensing of three (3) classrooms at Carlton Hills School in order to allow YALE Preschool to be housed at Carlton Hills during the summer and fall of 2011, and
2. Approval of the expansion of the YALE Preschool Program to Carlton Hills School beginning in January 2012.

This recommendation supports the following District goal:

- Assure the highest level of educational achievement for all students.

FISCAL IMPACT:

The YALE preschool program is a self-sufficient, fee-based program.

STUDENT ACHIEVEMENT:

Attending a quality preschool program may increase a child's success during the school years.

Motion:		Second:		Vote:		Agenda Item E.4.3.
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DISCUSSION AND/OR ACTION ITEMS Item F.

The Board invites citizens to address the Board about any of the items listed under Discussion and/or Action. Citizens wishing to address the Board about a Discussion and/or Action item are requested to submit a Request to Speak card in advance.

Agenda Item F

Discussion and/or Action Item F.1.1. Approval of Monthly Financial Report
Prepared by Karl Christensen
April 5, 2011

BACKGROUND:

Administration has prepared the accompanying Monthly Financial Report covering the period February 1, 2011 through February 28, 2011 for the Board of Education's review and comments. The statements are prepared on a cash and modified accrual basis and include the District's revenue, expenditure, and cash activities.

RECOMMENDATION:

It is recommended that the Board of Education approve the Monthly Financial Report, as presented.

This recommendation supports the following District goal:

- Pursue actively the funding and resources to fulfill our mission and maintain fiscal solvency.

FISCAL IMPACT:

The Monthly Financial Report shows a beginning cash balance of \$8,805,572; cash receipts of \$1,185,316; and disbursements of \$3,710,205 are reflected for the period of February 1, through February 28, 2011, resulting in an ending cash balance of \$6,280,683 as of February 28, 2011.

STUDENT ACHIEVEMENT IMPACT:

This is a fiscal item. All fiscal resources impact student achievement.

Motion:		Second:		Vote:		Agenda Item F.1.1.
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MONTHLY FINANCIAL REPORT - FEBRUARY

1

CASH REPORT FOR FEBRUARY

		Actual	Projected
Beginning Cash Balance as of January 31, 2011		\$ 8,805,572	\$ 8,805,572
INCOME			
<hr/>			
A. Revenue Limit Sources			
State Aid	\$ 186,083		
Property Taxes	96,092		
		282,175	
B. Federal Income			
Federal Funding	67,932		
		67,932	
C. State Income			
Unres. State Funding	223,496		
EIA	72,492		
HTS Transportation	40,616		
Spec Ed Transportation	22,226		
		358,830	
D. Local Income			
Other Local Income	154,802		
Spec ED	321,577		
		476,379	
E. Due to/Due from Other Funds		-	
F. Debt Proceeds		-	
TOTAL INCOME		\$ 1,185,316	\$ 2,029,843
Beginning Balance Plus Income		\$ 9,990,888	\$ 10,835,415
DISBURSEMENTS			
<hr/>			
G. Commercial Warrants	\$ 275,747		
H. Payroll Warrants	2,791,922		
I. Statutory Employee Benefits	431,926		
J. Health & Welfare	210,610		
K. Other Outgo	0		
TOTAL DISBURSEMENTS		\$ 3,710,205	\$ 4,161,585
Ending Cash Balance as of February 28, 2011		\$ 6,280,683	\$ 6,673,830





Budget Revisions Through February 28, 2011 2010-11 Revised Budget

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Beginning Fund Balance	6,817,102	101,959	6,919,060
Estimated Income	34,006,649	12,933,830	46,940,479
Estimated Expenditures	32,445,217	12,450,602	44,895,819
Change in Fund Balance	1,561,432	483,228	2,044,660
Projected Ending Fund Balance	8,378,534	585,187	8,963,720
Less: Designation for Restricted Programs/ Carryovers	-	585,187	585,187
Less: Designation for Prepaid Expenses	375,869		375,869
Less: Designation for Revolving Cash	15,000		15,000
Less: Designation for Stores Inventory	26,258		26,258
Less: Reserve for Vacation Carryover	208,676		208,676
Less: Reserve for Economic Uncertainty	1,346,875		1,346,875
Less: Reserve for State Budget Uncertainty	-		-
Undesignated/Unappropriated/Unreserved Fund Balance (Uncommitted)	6,405,855	-	6,405,855
Fund 17 Projected End of Year Balance	2,853,080		2,853,080
Projected Reserves	10,605,810	-	10,605,810
As a % Estimated Expense Total	23.62%		

	<u>\$19 ADA Cut</u>	<u>\$349 ADA Cut</u>
* Projected Reserve % 2011-12	19.64%	15.20%
* Projected Reserve % 2012-13	13.60%	4.89%
* Projected Reserve % 2013-14	7.05%	-6.64%

* Based on latest multi-year projection assumptions



Discussion and/or Action Item F.1.2. Adoption of Resolution #1011-18 to Issue Tax Revenue Anticipation Notes for the 2011-12 Fiscal Year

Prepared by Karl Christensen
April 5, 2011

BACKGROUND:

Resolution #1011-18 authorizes the issuance by the Santee School District of the 2011 tax and revenue anticipation notes (TRANS) in an amount not to exceed \$10 million. The maturity of the 2011 TRANS will not exceed 12 months and will be dated July 1, 2011. The TRANS will be issued through a pooled financing program of school districts and other public agencies located in San Diego County. The pooled program is organized by the San Diego County Office of Education and the County of San Diego Treasurer.

The purpose of the TRANS is to increase available cash balances which provide operating funds to cover cash shortfalls. Cash shortfalls arise due to the timing differential of monthly cash receipts and disbursements throughout the 2011-12 fiscal year. It will be especially difficult to solidify expected cash flows for 2011-12 since the State has not finalized plans to deal with a \$25 billion deficit and the District expects to rely upon \$1.5 million in Capital Improvement Program funds for short term borrowing. The District will not know the actual amount of CIP funds that will be available throughout 2011-12 for short-term borrowing until the GO Bond financing is finalized, a Guaranteed Maximum Price is established for the Hill Creek 10 classroom addition, and remaining balances in contingency reserves are known. Because of these uncertainties, it is important to have sufficient cash reserves to mitigate fluctuations. A TRANS will help in that regard. It is also possible that final analysis may indicate that the District does not qualify to issue a TRANS.

There are several advantages for participating in the San Diego County Pooled TRANS program:

- Lower overall issuance costs due to standardized documentation and credit criteria
- Increased marketability
- Consolidated expertise and decision-making

Resolution #1011-18 authorizes the issuance by the District of tax and revenue anticipation notes (TRANS) in an amount not-to-exceed \$10 million. The actual amount of the TRANS for Santee will be solidified when the State's May Revise is issued and Cash Flow projections are finalized. Currently, the estimated amount is \$3 million.

The resolution authorizes various financing documentation, including a Purchase Contract, Trust Agreement, Preliminary Official Statement, and Financial Advisory

Agreement which are on file in the office of the Assistant Superintendent of Business Services. It also authorizes the Superintendent or the Assistant Superintendent of Business Services to sign financing documentation in connection with the issuance of the TRANS.

RECOMMENDATION:

It is recommended that the Board of Education adopt Resolution #1011-18 authorizing the issuance of tax and revenue anticipation notes (TRANS) for the 2011-12 fiscal year in an amount not to exceed \$10 million. The maturity of the 2011 TRANS will not exceed 12 months and will be dated July 1, 2011. If cash flow projections indicate that the District qualifies to issue a TRAN, the actual amount and maturity will be determined at a later date.

This recommendation supports the following District goal:

- Pursue actively the funding and resources to fulfill our mission and maintain fiscal solvency.

FISCAL IMPACT:

Adoption of Resolution #1011-18 authorizes the issuance of tax and revenue anticipation notes (TRANS) for the 2011-12 fiscal year in an amount not to exceed \$10 million. Interest earnings on the funds are expected to offset interest costs. Issuance costs for underwriting fee, bond counsel, printing, and rating are estimated at \$24,000.

STUDENT ACHIEVEMENT IMPACT:

This is a fiscal item. All fiscal resources impact student achievement.

Motion:		Second:		Vote:		Agenda Item F.1.2.
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RESOLUTION NO. 1011-18

RESOLUTION OF SANTEE SCHOOL DISTRICT AUTHORIZING THE BORROWING OF FUNDS FOR FISCAL YEAR 2011-2012 AND THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF 2011 TAX AND REVENUE ANTICIPATION NOTES THEREFOR IN AN AMOUNT NOT TO EXCEED \$10,000,000 AND PARTICIPATION IN THE SAN DIEGO COUNTY AND SCHOOL DISTRICT TAX AND REVENUE ANTICIPATION NOTE PROGRAM AND REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY TO ISSUE AND SELL SAID NOTES

WHEREAS, school districts and the County of San Diego (the “County”) are authorized by Sections 53850 to 53858, both inclusive, of the Government Code of the State of California (the “Act”) (being Article 7.6, Chapter 4, Part 1, Division 2, Title 5 of the Government Code) to borrow money by the issuance of temporary notes;

WHEREAS, the legislative body (the “Board”) of the school district specified in Section 22 hereof (the “District”) has determined that an amount not to exceed the maximum amount of borrowing specified in Section 22 hereof (the “Principal Amount”) is needed for the requirements of the District, a political subdivision situated in the County, for any of the purposes of the District, as authorized by the Act, and that it is necessary that said Principal Amount be borrowed for such purpose at this time by the issuance of one or more series of notes therefor in anticipation of the receipt of taxes, income, revenue, cash receipts and other moneys to be received, accrued or held by the District and provided for or attributable to its fiscal year ending June 30, 2012 (the “Repayment Fiscal Year”);

WHEREAS, the District hereby determines to borrow, for the purposes set forth above, the Principal Amount by the issuance of one or more series of its 2011 Tax and Revenue Anticipation Notes, with an appropriate series designation if more than one note is issued (collectively, the “Note”);

WHEREAS, to the extent required by law, the District requests the Board of Supervisors of the County to borrow, on the District’s behalf, the Principal Amount by the issuance of the Note;

WHEREAS, it appears, and this Board hereby finds and determines, that the Principal Amount, when added to the interest payable thereon, does not exceed 85% of the estimated amount of the uncollected taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys of the District provided for or attributable to the Repayment Fiscal Year, and available for the payment of the principal of the Note and the interest thereon which, at the time of receipt are not restricted to other purposes, except to the extent such other purposes have been funded from Note proceeds (exclusive of any moneys required to be used to repay a treasurer’s loan as described in Section 17 hereof);

WHEREAS, no money has heretofore been borrowed by or on behalf of the District through the issuance of tax and revenue anticipation notes or temporary notes in anticipation of the receipt of, or payable from or secured by, taxes, income, revenue, cash receipts or other moneys for the Repayment Fiscal Year;

WHEREAS, pursuant to Section 53856 of the Act, certain moneys which will be received or accrued by the District and provided for or attributable to the Repayment Fiscal Year can be pledged for the payment of the principal of the Note and the interest thereon (as hereinafter provided);

WHEREAS, the District has determined that it is in the best interests of the District to participate in the San Diego County and School District Tax and Revenue Anticipation Note Program (the "Program"), whereby participating school districts and the County (collectively, the "Issuers") will simultaneously issue tax and revenue anticipation notes, which will be marketed together with some or all of the notes issued by other school districts and the County participating in the Program upon the determination by a District Officer at that time that participation in such Program is in the best financial interests of the District, or alternatively, the District may issue its note on a stand-alone basis, depending on market conditions;

WHEREAS, the financial advisor to the participating school districts (the "Financial Advisor"), together with the underwriter appointed in Section 21 hereof (the "Underwriter"), will structure one or more pools of notes (which may include a single note of one participating school district) or series of note participations (referred to herein as the "Note Participations," the "Series" and/or the "Series of Note Participations") distinguished by (i) whether and what type(s) of Credit Instrument (as hereinafter defined) secures Note Participations comprising each Series and (ii) possibly other features, all of which the District hereby authorizes the Financial Advisor to determine;

WHEREAS, the Program requires the Issuers participating in any particular Series to deposit their tax and revenue anticipation notes with a trustee, pursuant to a trust agreement (the "Trust Agreement") between such Issuers and the banking institution named therein as trustee (the "Trustee");

WHEREAS, the Trust Agreement provides, among other things, that for the benefit of owners of Note Participations, that the District shall provide notices of the occurrence of certain enumerated events, if deemed by the Districts to be material;

WHEREAS, the Program requires the Trustee, pursuant to the Trust Agreement, to execute and deliver the Note Participations evidencing and representing proportionate, undivided interests in the payments of principal of and interest on the tax and revenue anticipation notes issued by the Issuers comprising such Series;

WHEREAS, the District desires to have the Trustee execute and deliver a Series of Note Participations which evidence and represent interests of the owners thereof in its Note and the notes issued by other Issuers in such Series, if any; if the District Officer determines at the time of issuance of its Note that participation in such Program is in the best financial interests of the District;

WHEREAS, as additional security for the owners of the Note Participations, all or a portion of the payments by the District or by the other Issuers of their respective notes may or may not be secured either by an irrevocable letter (or letters) of credit or policy (or policies) of insurance or other credit instrument (or instruments) (collectively, the "Credit Instrument")

issued by the credit provider or credit providers designated in the Trust Agreement, as finally executed (collectively, the “Credit Provider”), which may be issued pursuant to a credit agreement or agreements or commitment letter or letters designated in the Trust Agreement (collectively, the “Credit Agreement”) between the Issuers and the respective Credit Provider;

WHEREAS, the net proceeds of the Note may be invested under an investment agreement with an investment provider to be determined on behalf of the Issuers by the County Officer, as hereinafter defined, in the Pricing Confirmation set forth in Exhibit A to the Purchase Agreement hereinafter defined;

WHEREAS, the Program requires that each participating Issuer approve the Trust Agreement and the alternative Credit Instruments, if any, in substantially the forms presented to the Board, or, in the case of the Credit Instruments, if any, if not presented, in a form which complies with such requirements and standards as may be determined by the Board, with the final form and type of Credit Instrument and corresponding Credit Agreement, if any, determined upon execution by the County Officer, as hereinafter defined, of the Pricing Confirmation;

WHEREAS, pursuant to the Program, in the event that other Issuers participate with the District in a Series of notes sold into a pool, each participating Issuer will be responsible for its share of (a) the fees of the Trustee and the costs of issuing the applicable Series of Note Participations, and (b), if applicable, the fees of the Credit Provider, the Issuer’s allocable share of all Predefault Obligations and the Issuer’s Reimbursement Obligations, if any (each as defined in the Trust Agreement), and in the event that the Note is sold on a stand-alone basis, the District will be responsible for (a) the fees of the Trustee and the costs of issuing the applicable Series of Note Participations, and (b), if applicable, the fees of the Credit Provider, all Predefault Obligations and the Issuer’s Reimbursement Obligations, if any;

WHEREAS, pursuant to the Program, the Note and the notes issued by other Issuers, if any, participating in the same Series (all as evidenced and represented by a Series of Note Participations) will be offered for sale through negotiation with the Underwriter or directly to a purchaser or purchasers under the terms of a placement or purchase agreement (the “Purchase Agreement”) approved by an Authorized District Representative and the County Officer, as referred to in Section 4;

WHEREAS, the District has determined that it may be desirable to provide for the issuance of an additional parity note (the “Parity Note”) during the Repayment Fiscal Year, the principal and interest on which are secured by Pledged Revenues, hereinafter defined, on a parity with the Note; and

WHEREAS, it is necessary to engage the services of certain professionals to assist the District in its participation in the Program;

NOW, THEREFORE, the Board hereby finds, determines, declares and resolves as follows:

Section 1. Recitals. All the above recitals are true and correct and this Board so finds and determines.

Section 2. Authorization of Issuance. This Board hereby determines to borrow, and, to the extent required by the Act, requests the Board of Supervisors of the County to borrow on behalf of the District, solely for the purpose of anticipating taxes, income, revenue, cash receipts and other moneys to be received, accrued or held by the District and provided for or attributable to the Repayment Fiscal Year, and not pursuant to any common plan of financing of the District, by the issuance by the Board of Supervisors of the County, in the name of the District, the Note, which may be issued in one or more series, in a combined amount not to exceed the Principal Amount under Sections 53850 *et seq.* of the Act, designated the District's "2011 Tax and Revenue Anticipation Note," with an appropriate series designation if more than one series is issued, to be issued in the form of fully registered notes, to be dated the date of delivery to the respective initial purchaser thereof, to mature (with or without option of prior redemption at the election of the District) not more than 15 months after each such delivery date on a date indicated on the face thereof and determined in the related Pricing Confirmation (as it pertains to each series, the "Maturity Date"), and to bear interest, payable on the respective Maturity Date, and, if such Maturity Date is more than 12 months from the date of issuance, the interim interest payment date set forth in the related Pricing Confirmation, and computed upon the basis of a 360-day year consisting of twelve 30-day months, at a rate or rates, if more than one Note is issued, not to exceed 12% per annum, as determined at the time of the sale of the respective Note (as it pertains to each series, the "Note Rate").

If the respective Note as evidenced and represented by the Series of Note Participations is secured in whole or in part by a Credit Instrument and is not paid at maturity or is paid (in whole or in part) by a draw under or claim upon a Credit Instrument which draw or claim is not fully reimbursed on such date, it shall become a Defaulted Note (as defined in the Trust Agreement), and the unpaid portion thereof (or the portion thereof with respect to which a Credit Instrument applies for which reimbursement on a draw or claim has not been fully made) shall be deemed outstanding and shall continue to bear interest thereafter until paid at the Default Rate (as defined in the Trust Agreement). If the respective Note as evidenced and represented by the Series of Note Participations is unsecured in whole or in part and is not fully paid at maturity, the unpaid portion thereof (or the portion thereof to which no Credit Instrument applies which is unpaid) shall be deemed outstanding and shall continue to bear interest thereafter until paid at the Default Rate. In each case set forth in the preceding two sentences, the obligation of the District with respect to such Defaulted Note or unpaid Note shall not be a debt or liability of the District prohibited by Article XVI, Section 18 of the California Constitution and the District shall not be liable thereon except to the extent of any available revenues provided for or attributable to the Repayment Fiscal Year, as provided in Section 8 hereof. The percentage of the respective Note as evidenced and represented by the Series of Note Participations to which a Credit Instrument, if any, applies (the "Secured Percentage") shall be equal to the amount of the Credit Instrument divided by the aggregate amount of unpaid principal of and interest on notes (or portions thereof) of all Issuers of notes comprising such Series of Note Participations, expressed as a percentage (but not greater than 100%) as of the maturity date. Both the principal of and interest on the Note shall be payable in lawful money of the United States of America.

Each Note may be issued in conjunction with the note or notes of one or more other Issuers, if any, as part of the Program and within the meaning of Section 53853 of the Act, upon the determination of the District Officer at the time of issuance of the Note that participation in such Program is in the best financial interests of the District.

Section 3. Form of Note. The Note shall be issued in fully registered form without coupons and shall be substantially in the form and substance set forth in Exhibit A, as attached hereto and by reference incorporated herein, the blanks in said form to be filled in with appropriate words and figures to be inserted or determined at closing.

Section 4. Sale of Note; Delegation. The Note as evidenced and represented by the Note Participations may be sold to the Underwriter appointed in Section 21 pursuant to the terms and provisions of the Purchase Agreement. The form of the Purchase Agreement, including the form of the Pricing Confirmation set forth as Exhibit A thereto, presented to this meeting is hereby approved; provided, however, in the event one or more Authorized District Representatives identified in Section 22 hereof decides it is in the best interest of the District to sell the Note pursuant to a private placement, an Authorized District Representative may approve a different form of one or more Purchase Agreements and/or Pricing Confirmation. The Chief Financial Officer, or in the absence of such officer, his or her assistant, the County Treasurer-Tax Collector, or, in the absence of such officer, his or her assistant and the Debt Finance Manager (each a "County Officer") are each hereby individually authorized and directed to execute and deliver the Purchase Agreement by executing and delivering the Pricing Confirmation, each in substantially said form, with such changes thereto as such County Officer executing the same shall approve, such approval to be conclusively evidenced by his or her execution and delivery thereof; *provided, however*, that the Note Rate shall not exceed 12% per annum, and that the District's *pro rata* share of Underwriter's discount on the Note, when added to the District's share of the costs of issuance of the Note Participations, shall not exceed 1.0% of the amount of the Note; *provided further*, that there shall be no Underwriter's discount in the event of a private placement of the Series of Note Participations, but such private placement will be subject to a placement fee to be approved by an Authorized District Representative. Delivery of an executed copy of the Pricing Confirmation by fax or telecopy shall be deemed effective execution and delivery for all purposes.

Section 5. Program Approval. The Note may be combined with notes of other Issuers, if any, into a Series as set forth in the Preliminary Official Statement, hereinafter mentioned, and shall be sold simultaneously with such other notes of that Series supported by the Credit Instrument (if any) referred to in the Pricing Confirmation, and shall be evidenced and represented by the Note Participations which shall evidence and represent proportionate, undivided interests in the in the proportion that the face amount of the Note which the Series of Note Participations represents bears to the total aggregate face amount of such respective Note and the notes issued by other Issuers which the Series of Note Participations represent. Such Note Participations may be delivered in book-entry form.

The forms of Trust Agreement and alternative general types and forms of Credit Agreements, if any, presented to this meeting or otherwise to the Board, are hereby approved, and the President or Chairperson of the Board of the District, the Superintendent, the Assistant Superintendent for Business, the Business Manager or Chief Financial Officer of the District, as the case may be, or, in the absence of any such officer, his or her assistant (each a "District Officer") is hereby authorized and directed to execute and deliver the Trust Agreement and a Credit Agreement, if applicable, which shall be identified in the Pricing Confirmation, in substantially one or more of said forms (a substantially final form of Credit Agreement to be delivered to the District Officer following execution by the County Officer of the Pricing

Confirmation), with such changes therein as said officer shall require or approve, such approval of this Board and such officer to be conclusively evidenced by the execution of the Trust Agreement and the Credit Agreement, if any. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement. The District Officer is hereby authorized and directed to comply with and carry out all of the provisions of the Trust Agreement with respect to continuing disclosure; *provided however*, that failure of the District to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default hereunder. Any Credit Agreement identified in the Pricing Confirmation but not at this time before the Board shall include reasonable and customary terms and provisions relating to fees, increased costs of the Credit Provider, if any, payable by the District, negative and affirmation covenants of the District and events of default. The proposed form of preliminary offering document, which may be a preliminary official statement, preliminary private offering memorandum or preliminary limited offering memorandum (the "Preliminary Official Statement") relating to the Series of Note Participations, in substantially the form presented to this meeting or otherwise to the Board, is hereby approved with such changes, additions, completion and corrections as any Authorized District Representative may approve, and the Underwriter is hereby authorized and directed to cause to be mailed to prospective bidders the Preliminary Official Statement in connection with the offering and sale of the Series of Note Participations. Such Preliminary Official Statement, together with any supplements thereto, shall be in form "deemed final" by the District for purposes of Rule 15c2-12, promulgated by the Securities and Exchange Commission (the "Rule"), unless otherwise exempt, but is subject to revision, amendment and completion in a final official statement, private offering memorandum or limited offering memorandum (the "Official Statement"). The Official Statement in substantially said form is hereby authorized and approved, with such changes therein as any Authorized District Representative may approve. The Authorized District Representative is hereby authorized and directed, at or after the time of the sale of any Series of Note Participations, for and in the name and on behalf of the District, to execute a final Official Statement in substantially the form of the Preliminary Official Statement presented to this meeting, with such additions thereto or changes therein as the Authorized District Representative may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

The District Officer is hereby authorized and directed to provide the Financial Advisor and the Underwriter with such information relating to the District as they shall reasonably request for inclusion in the Preliminary Official Statement. Upon inclusion of the information relating to the District therein, the Preliminary Official Statement is, except for certain omissions permitted by the Rule, hereby deemed final within the meaning of the Rule; *provided* that no representation is made as to the information contained in the Preliminary Official Statement relating to the other Issuers, if any, or any Credit Provider. If, at any time prior to the execution of the Pricing Confirmation, any event occurs as a result of which the information contained in the Preliminary Official Statement relating to the District might include an untrue 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, the District shall promptly notify the Financial Advisor and the Underwriter.

The Trustee is authorized and directed to execute Note Participations on behalf of the District pursuant to the terms and conditions set forth in the Trust Agreement, in the aggregate principal amount specified in the Trust Agreement, and substantially in the form and

otherwise containing the provisions set forth in the form of the Note Participations contained in the Trust Agreement. When so executed, the Note Participations shall be delivered by the Trustee to the purchaser upon payment of the purchase price thereof, pursuant to the terms of the Trust Agreement.

Subject to Section 8 hereof, the District hereby agrees that if its Note as evidenced and represented by the Series of Note Participations shall become a Defaulted Note, the unpaid portion thereof or the portion to which a Credit Instrument applies for which no reimbursement on a draw or claim has been made shall be deemed outstanding and shall not be deemed to be paid until (i) the Credit Provider providing a Credit Instrument with respect to the Series of Note Participations, and therefore, if applicable, all or a portion of the District's Note, if any, has been reimbursed for any drawings or payments made under the Credit Instrument with respect to the Note, including interest accrued thereon, as provided therein and in the applicable Credit Agreement, and, (ii) the holders of the Series of the Note Participations which evidence and represent the Note are paid the full principal amount represented by the unsecured portion of the Note plus interest accrued thereon (calculated at the Default Rate) to the date of deposit of such aggregate required amount with the Trustee. For purposes of clause (ii) of the preceding sentence, holders of the Series of Note Participations will be deemed to have received such principal amount upon deposit of such moneys with the Trustee.

The District agrees to pay or cause to be paid, in addition to the amounts payable under the Note, any fees or expenses of the Trustee and, to the extent permitted by law, if the District's Note as evidenced and represented by the Series of Note Participations is secured in whole or in part by a Credit Instrument, any Predefault Obligations and Reimbursement Obligations (to the extent not payable under the Note), (i) arising out of an "Event of Default" hereunder (or pursuant to Section 8 hereof) or (ii) arising out of any other event (other than an event arising solely as a result of or otherwise attributable to a default by any other Issuer). In the case described in (ii) above with respect to Predefault Obligations, the District shall owe only the percentage of such fees, expenses and Predefault Obligations equal to the ratio of the principal amount of its Note over the aggregate principal amounts of all notes, including the Note, of the Series of which the Note is a part, at the time of original issuance of such Series. Such additional amounts will be paid by the District within twenty-five (25) days of receipt by the District of a bill therefor from the Trustee.

Section 6. No Joint Obligation; Owners' Rights. The Note shall be marketed and sold on either a stand-alone basis or simultaneously with the notes of other Issuers, if any, and aggregated and combined with notes of such other Issuers participating in the Program into a Series of Note Participations evidencing and representing an interest in several, and not joint, obligations of each such Issuer. The obligation of the District to Owners is a several and not a joint obligation and is strictly limited to the District's repayment obligation under this Resolution, the resolution of the County providing for the issuance of the Note, and the Note as evidenced and represented by such Series of Note Participations.

Owners of Note Participations, to the extent of their interest in the Note, shall be treated as owners of the Note and shall be entitled to all the rights and security thereof; including the right to enforce the obligations and covenants contained in this Resolution and the Note. The District hereby recognizes the right of the Owners acting directly or through the Trustee to

enforce the obligations and covenants contained in the Note, this Resolution and the Trust Agreement. The District shall be directly obligated to each Owner for the principal and interest payments on the Note evidenced and represented by the Note Participations without any right of counterclaim or offset arising out of any act or failure to act on the part of the Trustee.

The provisions of this Section 6 apply equally to a Parity Note, if any, as if referred to herein, in the event that the District Officer determines at the time of issuance of the Parity Note that participation in a similar Program to pool the Parity Note with the notes of other issuers is in the best financial interests of the District.

Section 7. Disposition of Proceeds of Note. The moneys received from the sale of the Note allocable to the District's costs related to the issuance of the Note, if sold on a stand-alone basis or the District's share of the costs of issuance if issued in a pool with other Issuers, shall be deposited in the Costs of Issuance Fund held and invested by the Trustee under the Trust Agreement and expended on costs of issuance as provided in the Trust Agreement. The moneys received from the sale of the Note (net of the District's costs related to the issuance of the Note if sold on a stand-alone basis or the District's share of the costs of issuance if issued in a pool with other Issuers) shall be deposited in the District's Proceeds Subaccount within the Proceeds Fund hereby authorized to be created pursuant to, and held and invested by the Trustee under, the Trust Agreement for the District and said moneys may be used and expended by the District for any purpose for which it is authorized to expend funds upon requisition from the Proceeds Subaccount as specified in the Trust Agreement. Amounts in the Proceeds Subaccount are hereby pledged to the payment of the Note.

The Trustee will not create separate accounts within the Proceeds Fund, but will keep records to account separately for proceeds of the Note Participations allocable to the District's Note on deposit in the Proceeds Fund which shall constitute the District's Proceeds Subaccount.

The provisions of this Section 7 apply equally to a Parity Note, if any, as if referred to herein, in the event that the District Officer determines at the time of issuance of the Parity Note that participation in a similar Program to pool the Parity Note with the notes of other issuers is in the best financial interests of the District.

Section 8. Source of Payment. The Principal Amount of the Note, together with the interest thereon, shall be payable from taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys which are received, accrued or held by the District and are provided for or attributable to the Repayment Fiscal Year and which are available for payment thereof. As security for the payment of the principal of and interest on the Note and the amount, if any owed the Credit Provider, the District hereby pledges certain Unrestricted Revenues (as hereinafter provided, the "Pledged Revenues") which are received, accrued or held by the District and are provided for or attributable to the Repayment Fiscal Year, and the principal of the Note and the interest thereon shall constitute a first lien and charge thereon and shall be payable from the first moneys received by the District from such Pledged Revenues, and, to the extent not so paid, shall be paid from any other taxes, income, revenue, cash receipts and other moneys of the District lawfully available therefor (all as provided for in Sections 53856 and 53857 of the Act). The term "Unrestricted Revenues" shall

mean all taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts, and other moneys, which are generally available for the payment of current expenses and other obligations of the District. The Noteholders, Owners and Credit Provider shall have a first lien and charge on such Unrestricted Revenues as herein provided which are received, accrued or held by the District and are provided for or attributable to the Repayment Fiscal Year. Notwithstanding the foregoing, the terms "Unrestricted Revenue" and "Pledged Revenues" shall exclude moneys which, when received by the District, will be encumbered for a special purpose unless an equivalent amount of the proceeds of the Note is set aside and used for said special purpose; and provided further, the terms "Unrestricted Revenues" and "Pledged Revenues" shall exclude any moneys required to be used to repay a treasurer's loan as described in Section 17 hereof. The District may incur indebtedness secured by a pledge of its Pledged Revenues subordinate to the pledge of Pledged Revenues hereunder and may issue subordinate tax and revenue anticipation notes.

In order to effect the pledge referred to in the preceding paragraph, the District agrees to the establishment and maintenance of the Payment Account as a special fund of the District (the "Payment Account") by the Trustee as the responsible agent to maintain such fund until the payment of the principal of the Note and the interest thereon, and the District agrees to cause to be deposited (and shall request specific amounts from the District's funds on deposit with the County Treasurer-Tax Collector for such purpose) directly therein on the dates specified in the related Pricing Confirmation for each series of the Note as sequentially numbered Repayment Dates (each individual date a "Repayment Date" and collectively "Repayment Dates") (and any amounts received thereafter provided for or attributable to the Repayment Fiscal Year) until the amount on deposit in such fund, is equal on the respective Repayment Dates identified in the Pricing Confirmation to the percentages of the principal of the Note and interest due on the Note, as specified in the related Pricing Confirmation. Any such deposit may take into consideration anticipated investment earnings on amounts invested in a Permitted Investment, as defined in the Trust Agreement, with a fixed rate of return through the Maturity Date.

The District Officer is hereby authorized to approve the determination of the Repayment Dates and percentages of the principal and interest due on the Note at maturity required to be on deposit in the Payment Account on each Repayment Date, all as specified in the related Pricing Confirmation. The execution and delivery of the Pricing Confirmation by the County Officer shall be conclusive evidence of approval by this Board and such District Officer; *provided, however*, that the maximum number of Repayment Dates for each Note shall be six. In the event that on each such Repayment Date, the District has not received sufficient Unrestricted Revenues to permit the deposit into the Payment Account of the full amount of Pledged Revenues to be deposited in the Payment Account from said Unrestricted Revenues, then the amount of any deficiency shall be satisfied and made up from any other moneys of the District lawfully available for the payment of the principal of the Note and the interest thereon, as and when such other moneys are received or are otherwise legally available; and in connection therewith, the District authorizes the County Treasurer-Tax Collector to transfer any District funds then held or later received by the County Treasurer-Tax Collector, to the Trustee for deposit into the District's Payment Account to make up any such deficiency.

Any moneys placed in the Payment Account shall be for the benefit of the owner of the Note and (to the extent provided in the Trust Agreement) the Credit Provider. The moneys in the Payment Account shall be applied only for the purposes for which the Payment Account is created until the principal of the Note and all interest thereon are paid or until provision has been made for the payment of the principal of the Note at maturity with interest to maturity and, if applicable, the payment of all Predefault Obligations and Reimbursement Obligations owing to the Credit Provider, if any.

The moneys in the Payment Account shall be used by the Trustee, to the extent necessary, to pay the principal of and interest on the Note, or, if applicable, to reimburse the Credit Provider for payments made under or pursuant to the Credit Instrument. In the event that moneys in the Payment Account are insufficient to pay the principal of and interest on the Note in full, such moneys shall be applied in accordance with the priority set forth in the Trust Agreement. Any moneys remaining in or accruing to the Payment Account after the principal of the Note and the interest thereon and any Predefault Obligations and Reimbursement Obligations, if applicable, have been paid, or provision for such payment has been made, shall be transferred by the Trustee to the District, subject to any other disposition required by the Trust Agreement. Nothing herein shall be deemed to relieve the District from its obligation to pay its Note in full on the Maturity Date.

Moneys in the Proceeds Subaccount and the Payment Account shall be invested by the Trustee pursuant to the Trust Agreement in investment agreement(s) and/or other Permitted Investments as described in and under the terms of the Trust Agreement and as designated in the Pricing Confirmation. In the event the County Officer designates an investment agreement or investment agreements as the investments in the related Pricing Confirmation, the District hereby directs the Trustee to invest such funds pursuant to the investment agreement or investment agreements (which shall be with a provider rated in one of the two highest long-term rating categories by the rating agency or agencies then rating the Note Participations and acceptable to the Credit Provider, if any, and the particulars of which pertaining to interest rate and investment provider will be set forth in the Pricing Confirmation) and authorizes the Trustee to enter into such investment agreement on behalf of the District. The District's funds shall be accounted for separately and the obligation of the provider of the Investment Agreement with respect to the District under the Investment Agreement shall be severable. Any such investment by the Trustee shall be for the account and risk of the District and the District shall not be deemed to be relieved of any of its obligations with respect to the Note, the Predefault Obligations or Reimbursement Obligations, if any, by reason of such investment of the moneys in its Proceeds Subaccount and Payment Account.

The District shall promptly file with the Trustee and the Credit Provider, if any, such financial reports at the times and in the forms required by the Trust Agreement.

Anything herein to the contrary notwithstanding, the District may at any time during the Repayment Fiscal Year issue or provide for the issuance of a Parity Note by the County on its behalf, secured by a first lien and charge on Pledged Revenues; provided that (i) the District shall have received confirmation from each rating agency rating the outstanding Note or Series of Note Participations related to the Note, that the issuance of such Parity Note (or related series of note participation if sold into a pool) will not cause a reduction or withdrawal of

such rating agency's rating on the outstanding Note or Series of Note Participations related to the Note, (ii) the maturity date of any such Parity Note shall be later than the outstanding Note and (iii) the District shall have received the written consent of the Credit Provider, if any, to the issuance of the Parity Note. In the event that the District issues a Parity Note, or provides for the issuance of a Parity Note by the County on its behalf, the District shall make appropriate deposits into the Payment Account with respect to such Parity Note, and in such event, the Payment Account shall also be held for the benefit of the holders of the Parity Note.

Section 9. Execution of Note. The County Officer shall be authorized to execute the Note by manual or facsimile signature and the Clerk of the Board of Supervisors of the County or any Deputy Clerk shall be authorized to countersign the Note by manual or facsimile signature and to affix the seal of the County to the Note either manually or by facsimile impression thereof. Said officers of the County are hereby authorized to cause the blank spaces of the Note to be filled in as may be appropriate pursuant to the related Pricing Confirmation. In case any officer whose signature shall appear on any Note shall cease to be such officer before the delivery of such Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

Section 10. Representations and Covenants.

(A) The District is a political subdivision duly organized and existing under and by virtue of the laws of the State of California and has all necessary power and authority to (i) adopt the Resolution and enter into and perform its obligations under the Purchase Agreement and (ii) authorize the County to issue the Note on its behalf.

(B) (i) Upon the issuance of the Note, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Note and the performance of its obligations thereunder and (ii) the District has full legal right, power and authority to request the County to issue and deliver the Note on behalf of the District and to perform its obligations as provided herein and therein.

(C) The issuance of the Note, the adoption of the Resolution and the execution and delivery of the Purchase Agreement, Trust Agreement and Credit Agreement, if any, and compliance with the provisions hereof and thereof will not conflict with or violate any law, administrative regulation, court decree, resolution, charter, by-laws or other agreement to which the District is subject or by which it is bound.

(D) Except as may be required under blue sky or other securities law of any state, there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority having jurisdiction over the District required for the issuance and sale of the Note or the consummation by the District of the other transactions contemplated by this Resolution except those the District shall obtain or perform prior to or upon the issuance of the Note.

(E) The District has (or will have prior to the issuance of the Note) duly, regularly and properly adopted a preliminary budget for the Repayment Fiscal Year setting forth expected revenues and expenditures and has complied with all statutory and regulatory

requirements with respect to the adoption of such budget. The District hereby covenants that it will (i) duly, regularly and properly prepare and adopt its final budget for the Repayment Fiscal Year, (ii) provide to the Credit Provider, if any, the Financial Advisor and the Underwriter (or owner of the Series of Note Participations in the event of a private placement), promptly upon adoption, copies of such final budget and of any subsequent revisions, modifications or amendments thereto and (iii) comply with all applicable law pertaining to its budget.

(F) The sum of the principal amount of the District's Note plus the interest payable thereon, on the date of its issuance, will not exceed 85% of the estimated amounts of the District's uncollected taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts, and other moneys to be received or accrued by the District for the general fund of the District provided for or attributable to the Repayment Fiscal Year all of which will be legally available to pay principal of and interest on the Note (exclusive of any moneys required to be used to repay a treasurer's loan as described in Section 17 hereof).

(G) The County has experienced an *ad valorem* property tax collection rate of not less than 85% of the average aggregate amount of *ad valorem* property taxes levied within the District in each of the last five fiscal years for which information is available, and the District, as of the date of adoption of this Resolution and on the date of issuance of the Note, reasonably expects the County to collect at least 85% of such amount for the Repayment Fiscal Year.

(H) The District (i) is not currently in default on any debt obligation and (ii) to the best knowledge of the District, has never defaulted on any debt obligation.

(I) The District's most recent audited financial statements present fairly the financial condition of the District as of the date thereof and the results of operation for the period covered thereby. Except as has been disclosed to the Financial Advisor and the Underwriter and the Credit Provider, if any, and in the Preliminary Official Statement and to be set forth in the final Official Statement, there has been no change in the financial condition of the District since the date of such audited financial statements that will in the reasonable opinion of the District materially impair its ability to perform its obligations under this Resolution and the Note. The District agrees to furnish to the Financial Advisor, the Underwriter (or owners of the Series of Note Participations in the event of a private placement), the Trustee and the Credit Provider, if any, promptly, from time to time, such information regarding the operations, financial condition and property of the District as such party may reasonably request.

(J) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, arbitrator, governmental or other board, body or official, pending or, to the best knowledge of the District, threatened against or affecting the District questioning the validity of any proceeding taken or to be taken by the District in connection with the Note, the Purchase Agreement, the Trust Agreement, the Credit Agreement, if any, or this Resolution, or seeking to prohibit, restrain or enjoin the execution, delivery or performance by the District of any of the foregoing, or wherein an unfavorable decision, ruling or finding would have a materially adverse effect on the District's financial condition or results of operations or on the ability of the District to conduct its activities as presently conducted or as proposed or contemplated to be conducted, or would materially adversely affect the validity or enforceability

of, or the authority or ability of the District to perform its obligations under, the Note, the Purchase Agreement, the Trust Agreement, the Credit Agreement, if any, or this Resolution.

(K) The District will not directly or indirectly amend, supplement, repeal, or waive any portion of this Resolution (i) without the consent of the Credit Provider, if any, or (ii) in any way that would materially adversely affect the interests of the Note holders or Note Participation Owners.

(L) Upon issuance of the Note, the Note and this Resolution will constitute legal, valid and binding agreements of the District, enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy or other laws affecting creditors' rights, the application of equitable principles if equitable remedies are sought, the exercise of judicial discretion in appropriate cases and the limitations on legal remedies against public entities, as applicable, in the State of California.

(M) It is hereby covenanted and warranted by the District that all representations and recitals contained in this Resolution are true and correct, and that the District and its appropriate officials have duly taken, or will take, all proceedings necessary to be taken by them, if any, for the levy, receipt, collection and enforcement of the Pledged Revenues in accordance with law for carrying out the provisions of this Resolution and the Note.

(N) Except for a Parity Note, if any, pursuant to Section 8 hereof, the District shall not incur any indebtedness secured by a pledge of its Unrestricted Revenues unless such pledge is subordinate in all respects to the pledge of Unrestricted Revenues hereunder.

(O) So long as the Credit Provider is not in default under the Credit Instrument, the District hereby agrees to pay its *pro rata* share of all Predefault Obligations and all Reimbursement Obligations attributable to the District in accordance with provisions of the applicable Credit Agreement, if any, and/or Trust Agreement, as applicable. The District shall pay such amounts promptly upon receipt of notice from the Credit Provider that such amounts are due to it by instructing the Trustee to pay such amounts to the Credit Provider on the District's behalf by remitting to the Credit Provider moneys held by the Trustee for the District and then available for such purpose under the Trust Agreement. If such moneys held by the Trustee are insufficient to pay the District's *pro rata* share of such Predefault Obligations and all Reimbursement Obligations attributable to the District (if any), the District shall pay the amount of the deficiency to the Trustee for remittance to the Credit Provider.

(P) As a condition to the issuance of the Notes, the District will either (1) then not have a negative or qualified certification applicable to Fiscal Year 2009-10 or Fiscal Year 2010-11 within the meaning of Section 42133 of the Education Code of the State of California or (2) if the District does then have a negative or qualified certification applicable to Fiscal Year 2009-10 or Fiscal Year 2010-11 within the meaning of Section 42133 of the Education code of the State of California, the District shall provide to the Financial Advisor and Bond Counsel the written determination by the County Superintendent of Schools that the repayment of the Notes is probable within the meaning of Section 42133 of the Education Code of the State of California.

(Q) The District funded its Reserve for Economic Uncertainties for Fiscal Year 2010-2011 in at least the minimum amount recommended, and will fund its Reserve for Economic Uncertainties for Fiscal Year 2011-2012 in at least the minimum amount recommended by the State Superintendent of Public Instruction.

(R) The District will maintain a positive general fund balance in the Repayment Fiscal Year.

Section 11. Tax Covenants. The District will not take any action or fail to take any action if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Note under Section 103 of the Internal Revenue Code of 1986 (the "Code"). Without limiting the generality of the foregoing, the District will not make any use of the proceeds of the Note or any other funds of the District which would cause the Note to be "arbitrage bonds" within the meaning of Section 148 of the Code, a "private activity bond" within the meaning of Section 141(a) of the Code, or an obligation the interest on which is subject to federal income taxation because it is "federally guaranteed" as provided in Section 149(b) of the Code. The District, with respect to the proceeds of the Note, will comply with all requirements of such sections of the Code and all regulations of the United States Department of the Treasury issued or applicable thereunder to the extent that such requirements are, at the time, applicable and in effect.

The District hereby (i) represents that the aggregate face amount of all tax-exempt obligations (including any tax-exempt leases, but excluding private activity bonds), issued and to be issued by the District during calendar year 2011, including the Note, is not reasonably expected to exceed \$5,000,000, *provided* that such amount shall be increased by the lesser of \$10,000,000 or the aggregate face amount of such tax-exempt obligations as are attributable to financing capital expenditures for public school facilities, **or in the alternative**, (ii) covenants that the District will take all legally permissible steps necessary to ensure that all of the gross proceeds of the Note will be expended no later than the day that is six months after the respective dates of issuance of the Note so as to satisfy the requirements of Section 148(f)(4)(B) of the Code.

Notwithstanding any other provision of this Resolution to the contrary, upon the District's failure to observe, or refusal to comply with, the covenants contained in this Section 11, no one other than the holders or former holders of the Note, the Owners or the Trustee on their behalf shall be entitled to exercise any right or remedy under this Resolution on the basis of the District's failure to observe, or refusal to comply with, such covenants.

The covenants contained in this Section 11 shall survive the payment of the Note.

Section 12. Events of Default and Remedies.

If any of the following events occur, it is hereby defined as and declared to be and to constitute an "Event of Default":

- (a) Failure by the District to make or cause to be made the deposits to the Payment Account or any other payment required to be paid hereunder on or before the date on which such deposit or other payment is due and payable;

(b) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Resolution, for a period of fifteen (15) days after written notice, specifying such failure and requesting that it be remedied, is given to the District by the Trustee or the Credit Provider, if applicable, unless the Trustee and the Credit Provider shall agree in writing to an extension of such time prior to its expiration;

(c) Any warranty, representation or other statement by or on behalf of the District contained in this Resolution or the Purchase Agreement (including the Pricing Confirmation) or in any instrument furnished in compliance with or in reference to this Resolution or the Purchase Agreement or in connection with the Note, is false or misleading in any material respect;

(d) A petition is filed against the District under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect and is not dismissed within 30 days after such filing, but the Trustee shall have the right to intervene in the proceedings prior to the expiration of such 30 days to protect its and the Owners' interests;

(e) The District files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under such law;

(f) The District admits insolvency or bankruptcy or is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including without limitation a receiver, liquidation or trustee) of the District or any of its property is appointed by court order or takes possession thereof and such order remains in effect or such possession continues for more than 30 days, but the Trustee shall have the right to intervene in the proceedings prior to the expiration of such 30 days to protect its and the Owners' interests;

(g) An "Event of Default" under the terms of the resolution, if any, of the County providing for the issuance of the Note.

Whenever any Event of Default referred to in this Section 12 shall have happened and be continuing, the Trustee shall, in addition to any other remedies provided herein or by law or under the Trust Agreement, have the right, at its option without any further demand or notice, to take one or any combination of the following remedial steps:

(a) Without declaring the Note to be immediately due and payable, require the District to pay to the Trustee, for deposit into the Payment Account of the District, an amount equal to the principal of the Note and interest thereon to maturity, plus all other amounts due hereunder, and upon notice to the District the

same shall become immediately due and payable by the District without further notice or demand; and

(b) Take whatever other action at law or in equity (except for acceleration of payment on the Note) which may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce any other of its rights hereunder.

Notwithstanding the foregoing, if the District's Note is secured in whole or in part by a Credit Instrument, as long as the Credit Provider has not failed to comply with its payment obligations under the Credit Instrument, the Credit Provider shall have the right to direct the remedies upon any Event of Default hereunder so long as such action will not materially adversely affect the rights of any Owner, and the Credit Provider's prior consent shall be required to any remedial action proposed to be taken by the Trustee hereunder, except that nothing contained herein shall affect or impair the right of action of any Owner of a Note Participation to institute suit directly against the District to enforce payment of the obligations evidenced and represented by such Owner's Note Participation.

If the Credit Provider is not reimbursed on the Maturity Date for the drawing or payment, as applicable, used to pay principal of and interest on the Note due to a default in payment on the Note by the District, or if any principal of or interest on the Note remains unpaid after the Maturity Date, the Note shall be a Defaulted Note, the unpaid portion thereof or the portion to which a Credit Instrument applies for which no reimbursement on a draw or claim has been made shall be deemed outstanding and shall bear interest at the Default Rate until the District's obligation on the Defaulted Note is paid in full or payment is duly provided for, all subject to Section 8 hereof.

Section 13. Trustee. The Trustee is hereby appointed as paying agent, registrar and authenticating agent for the Note. The District hereby directs and authorizes the payment by the Trustee of the interest on and principal of the Note when such become due and payable, from the Payment Account held by the Trustee in the name of the District in the manner set forth herein. The District hereby covenants to deposit funds in such account at the time and in the amount specified herein to provide sufficient moneys to pay the principal of and interest on the Note on the day on which it matures. Payment of the Note shall be in accordance with the terms of the Note and this Resolution.

The District hereby agrees to maintain the Trustee as paying agent, registrar and authenticating agent of the Note.

Section 14. Approval of Actions. The officers of the County mentioned in Section 9 hereof are hereby authorized and directed to execute the Note and cause the Trustee to authenticate and accept delivery of the Note, pursuant to the terms and conditions of this Resolution. All actions heretofore taken by the officers and agents of the County, the District or this Board with respect to the sale and issuance of the Note and participation in the Program are hereby approved, confirmed and ratified and the officers and agents of the County and the officers of the District are hereby authorized and directed, for and in the name and on behalf of the District, to do any and all things and take any and all actions and execute any and all

certificates, agreements and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Note in accordance with, and related transactions contemplated by, this Resolution. The officers of the District referred to above in Section 4 hereof are hereby designated as “Authorized District Representatives” under the Trust Agreement.

Section 15. Proceedings Constitute Contract. The provisions of the Note and of this Resolution shall constitute a contract between the District and the registered owner of the Note and the Credit Provider, if any, and such provisions shall be enforceable by mandamus or any other appropriate suit, action or proceeding at law or in equity in any court of competent jurisdiction, and shall be irreparable.

Section 16. Limited Liability. Notwithstanding anything to the contrary contained herein or in the Note or in any other document mentioned herein, the District shall not have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby except to the extent payable from moneys available therefor as set forth in Section 8 hereof and the County is not liable for payment of the Note or any other obligation of the District hereunder.

Section 17. Treasurer’s Loans. To the extent necessary in the judgment of the District Officer, the District Officer is hereby authorized to enter into borrowings pursuant to Section 6 of Article XVI of the California Constitution (and statutes implementing such Article); provided, however, that such amounts shall only be borrowed to the extent that such borrowings, when added to the amount of the Note and interest owed thereon, and to other items of indebtedness issued pursuant to the Government Code, shall not at the time of such borrowings exceed 85% of the estimated remaining uncollected taxes, income, revenue, cash receipts and other moneys to be received or accrued by the District during the Repayment Fiscal Year which will be available for payment of such borrowings, the Note and other items of indebtedness issued pursuant to the Government Code and the interest thereon.

Section 18. Submittal of Resolution to County. To the extent required by law, the Secretary of the governing board of the District is hereby directed to submit one certified copy each of this Resolution to the Clerk of the Board of Supervisors of the County, to the Treasurer-Tax Collector of the County and to the County Superintendent of Schools.

Section 19. Indemnification of County. The District shall indemnify and hold harmless, to the extent permitted by law, the County and its officers and employees (“Indemnified Parties”), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Parties may become subject because of action or inaction related to the adoption of a resolution by the Board of Supervisors providing for the issuance and sale of the Note, or related to the proceedings for sale, award, issuance and delivery of the Note in connection with the Program, or in connection with any information pertaining to the District included in (or omitted from but required to be stated in) the Preliminary Official Statement or the final Official Statement. The District shall also reimburse any such Indemnified Parties for any legal or other expenses incurred in connection with investigating or defending any such claims or actions.

Section 20. Appointment of Bond Counsel. The law firm of Orrick, Herrington & Sutcliffe LLP, Los Angeles, California is hereby appointed Bond Counsel for the District. The District acknowledges that Bond Counsel regularly performs legal services for many private and public entities in connection with a wide variety of matters, and that Bond Counsel has represented, is representing or may in the future represent other public entities, underwriters, trustees, rating agencies, insurers, credit enhancement providers, lenders, financial and other consultants who may have a role or interest in the proposed financing or that may be involved with or adverse to District in this or some other matter. Given the special, limited role of Bond Counsel described above, the District acknowledges that no conflict of interest exists or would exist, waives any conflict of interest that might appear to exist, and consents to any and all such relationships.

Section 21. Appointment of Financial Advisor and Underwriter. Any District Officer is hereby authorized, in consultation with the San Diego County Office of Education, to appoint Government Financial Strategies inc. to serve as Financial Advisor for the District in connection with the Program, and to execute an agreement for financial advisory services with such firm. Citigroup Global Markets, Inc., together with such co-underwriters, if any, identified in the Purchase Agreement, is hereby appointed as underwriter for the Program.

Section 22. Resolution Parameters.

- (a) Name of District: Santee School District
- (b) Maximum Amount of Borrowing: \$10,000,000
- (c) Authorized District Representatives:
 - (1) Superintendent
 - (2) Assistant Superintendent, Business
 - (3) Clerk of the Board

Section 23. Severability. In the event any provision of this Resolution shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 24. Effective Date. This Resolution shall take effect from and after its date of adoption.

[Attach form of Certification of the Clerk of the Board with respect to the Resolution, if desired (such form of Certification is not required.)]

EXHIBIT A

FORM OF NOTES

SANTEE SCHOOL DISTRICT

COUNTY OF SAN DIEGO, CALIFORNIA

2011 TAX AND REVENUE ANTICIPATION NOTE, SERIES ___^{*/}

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
<u>First Repayment Date</u>	<u>Second Repayment Date</u>	<u>Third Repayment Date</u>
___% (Total of principal and interest due on Note at maturity) ^{**/}	___% (Total of principal and interest due on Note at maturity) ^{**/}	___% (Total of principal and interest due on Note at maturity) ^{**/}

REGISTERED OWNER:

PRINCIPAL AMOUNT: \$ _____

FOR VALUE RECEIVED, the Santee School District (the "District"), located in the County of San Diego, California (the "County"), acknowledges itself indebted to and promises to pay to the registered owner identified above, or registered assigns, on the maturity date set forth above, the principal sum specified above in lawful money of the United States of America, and to pay interest thereon on each Interest Payment Date, as defined in the Trust Agreement, at the rate of interest specified above (the "Interest Rate"). Principal of and interest on this Note are payable in such coin or currency of the United States as at the time of payment is legal tender for payment of private and public debts, such principal to be paid upon surrender hereof at the principal corporate trust office of Wells Fargo Bank, National Association in Los Angeles, California, or its successor in trust (the "Trustee"). Interest is payable as specified in the Trust Agreement. Interest shall be calculated on the basis of a 360-day year, consisting of twelve 30-day months, in like lawful money from the date hereof until the maturity date specified above and, if funds are not provided for payment at maturity, thereafter on the basis of a 360-day year for actual days elapsed until payment in full of said principal sum. Both the principal of and interest on this Note shall be payable only to the registered owner hereof upon

^{*/} If more than one Series is issued under the Program in the Repayment Fiscal Year.

^{**/} Number of Repayment Dates and percentages to be determined in Pricing Confirmation (as defined in the Resolution).

surrender of this Note as the same shall fall due; *provided, however*, no interest shall be payable for any period after maturity during which the holder hereof fails to properly present this Note for payment. If the District fails to pay this Note when due or the Credit Provider (as defined in the Resolution hereinafter described), if any, is not reimbursed in full for the amount drawn on or paid pursuant to the Credit Instrument (as defined in the Resolution) to pay all or a portion of this Note on the date of such payment, this Note shall become a Defaulted Note (as defined and with the consequences set forth in the Resolution).

It is hereby certified, recited and declared that this Note (the "Note") represents the authorized issue of the Note in the aggregate principal amount made, executed and given pursuant to and by authority of certain resolutions of the governing boards of the District and the County duly passed and adopted heretofore, under and by authority of Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code (collectively, the "Resolution"), to all of the provisions and limitations of which the owner of this Note, by acceptance hereof, assents and agrees.

The principal of the Note, together with the interest thereon, shall be payable from taxes, income, revenue, cash receipts and other moneys which are received or accrued by the District for the general fund of the District and are provided for or attributable to the Fiscal Year ending June 30, 2012 (the "Repayment Fiscal Year"). As security for the payment of the principal of and interest on the Note, the District has pledged certain Unrestricted Revenues of the District (the "Pledged Revenues") received, accrued or held by the District and provided for or attributable to the Repayment Fiscal Year, and the principal of the Note and the interest thereon shall constitute a first lien and charge thereon and shall be payable from the Pledged Revenues, and, to the extent not so paid, shall be paid from any other moneys of the District lawfully available therefor, as set forth in the Resolution. Notwithstanding the foregoing, the terms "Unrestricted Revenues" and "Pledged Revenues" exclude any moneys required to be used to repay a treasurer's loan, as more particularly described in the Resolution. The County is not liable for payment of this Note. The full faith and credit of the District is not pledged to the payment of the principal or interest on this Note.

The County, the District and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the County, the District and the Trustee shall not be affected by any notice to the contrary.

It is hereby certified that all of the conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Note 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 and that the amount of this Note, together with all other indebtedness of the District, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

IN WITNESS WHEREOF, the Board of Supervisors of the County has caused this Note to be executed by the manual or facsimile signature of a duly authorized officer of the County and countersigned by the manual or facsimile signature of its duly authorized officer.

COUNTY OF SAN DIEGO

By: _____
Chief Financial Officer

Countersigned

By: _____
Clerk of the Board of Supervisors

[STATEMENT OF INSURANCE]^{*/}

^{*/} To be used only if Credit Instrument is a policy of municipal bond insurance.

IN WITNESS WHEREOF, the Santee School District, San Diego County, California, has caused Resolution No. 1011-18 to be executed on behalf of the District and in official capacity by the signature of the President of the Board of Education of the District, and to be countersigned by the signature of the Secretary to or Clerk of the Board of Education of the District, this 5th day of April, 2011.

SANTEE SCHOOL DISTRICT

By: _____
President, Board of Education

COUNTERSIGNED:

Clerk, Board of Education

SECRETARY'S CERTIFICATE

I, _____, Secretary of the Board, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a _____ meeting of the Board duly and regularly held at the regular meeting place thereof on the ____ day of _____, 2011, of which meeting all of the members of said had due notice and at which a majority thereof were present; and at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at _____, _____, California, a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office; the foregoing resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: _____, 2011

Secretary of the Board

Discussion and/or Action Item F.1.3.
Prepared by Karl Christensen
April 5, 2011

Adoption of Resolution #1011-20, Withdrawal of
Membership in the Southern California ReLIEF
Joint Powers Authority and Rejoin the San Diego
County Property and Liability Joint Powers
Authority

BACKGROUND:

As of July 1, 2008, the District withdrew from the San Diego County JPA (“SD County JPA”) in favor of joining Southern California ReLIEF (“So Cal ReLIEF”), a JPA consisting primarily of Orange and Los Angeles County school districts. The reason for the change was to save on costs associated with annual premium payments. Keenan & Associates is the entity through which the District participates in So Cal ReLIEF and receives other ancillary services.

In addition to annual premium payments, the District also pays Keenan & Associates for claims administration as an add-on cost under a separate contract. Payments for claims administration are currently capped at \$15,000 annually and the District has paid between \$10,000 and \$15,000 in each of the three years with So Cal ReLIEF. The SD County JPA premium rate is inclusive of all costs including claims administration.

A minimum of two years participation is required in So Cal ReLIEF so the District can withdraw upon approval of a Board resolution and notification to So Cal ReLIEF by April 30, 2011. Administration obtained quotes from both Keenan & Associates and SD County JPA in order to ensure the best pricing. Below is a summary of annual premium and claims administration payments paid for participating in So Cal ReLIEF and contracting with Keenan & Associates over the past 3 years along with quotes obtained for 2011-12:

Fiscal Year	So Cal ReLIEF (Keenan)	SD County JPA
2008-09	\$202,322	N/A
2009-10	\$224,672	N/A
2010-11 through Feb 2011	\$208,935*	N/A
2011-12	\$221,936**	\$191,308

*\$4,578 remaining before CAP reached for Claims Administration

**Maximum with \$15,000 for Claims Administration

In addition to increased premium costs, the District has had added costs for coordinating responses to public records requests received by county school districts as this is provided by SD County JPA at no additional cost for member districts. This is but one example of the added benefits of having countywide coordination, networking, and participation in the JPA.

RECOMMENDATION:

It is recommended that the Board of Education adopt Resolution #1011-20 to withdraw from So Cal ReLIEF as of June 30, 2011 and rejoin SD County JPA as of July 1, 2011 for property and liability coverage.

This recommendation supports the following District goal:

- Pursue actively the funding and resources to fulfill our mission and maintain fiscal solvency.

FISCAL IMPACT:

The fiscal impact is a total cost of \$191,308 premium, resulting in a savings of \$25,000 to \$30,000 in insurance premiums and claims administration costs.

STUDENT ACHIEVEMENT IMPACT:

This is a fiscal item. All fiscal resources impact student achievement.

Motion:		Second:		Vote:		Agenda Item F.1.3.
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**Santee School District
Resolution #1011-20**

**Resolution to Withdraw Membership in the Southern California Regional
Liability Excess Fund (ReLiEF)
Joint Powers Authority (JPA) and Rejoin the San Diego County Property
and Liability Joint Powers Authority**

ON MOTION of Member _____, seconded by Member _____, the following resolution is adopted:

WHEREAS, school districts have determined there is a need for affordable Property and Liability coverages by combining their respective efforts to establish, operate and maintain a Joint Power Agency for Property and Liability coverages; and

WHEREAS, Title I, Division 7, Chapter 5, Article I (Section 6500 et seq.) of the Government Code of the State of California authorizes joint exercise by two or more public agencies of any power common to them,

NOW, THEREFORE, BE IT RESOLVED that the Board of Education of Santee School District declares its withdrawal in the Southern California ReLiEF Joint Powers Authority and declares membership in the San Diego County Property and Liability Joint Powers Authority and instructs its duly authorized agent to execute on behalf of Santee School District the attached Joint Powers Agreement and appoints Karl Christensen, Assistant Superintendent of Business Services as its official representative to the San Diego County Property and Liability Joint Powers Authority.

PASSED AND ADOPTED by the Board of Education of Santee School District this 5th day of April, 2011, by the following vote:

- AYES:
- NOES:
- ABSENT:

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO)

I, Dianne El-Hajj, Clerk of the Board of Education, do hereby certify that the foregoing is a full, true, and correct copy of a resolution adopted by the Governing Board at a regularly called and conducted meeting held on said date.

Clerk of the Board of Education

Discussion and/or Action Item F.2.1. Adoption of Resolution #1011-19, to Issue Series E General Obligation Bonds

Prepared by Karl Christensen
April 5, 2011

BACKGROUND:

On November 7, 2006, the registered voters of the District approved the authorization for the District to issue a total of \$60 million in general obligation bonds (the "Bond Authorization") to "modernize classroom facilities, upgrade safety systems, enhance technology, improve traffic flow, and indoor/outdoor learning spaces, provide improved access for persons with disabilities, enhance technology and science lab facilities, and provide additional classrooms."

In 2007, the \$18,000,000 Santee School District General Obligation Bonds, Election of 2006, Series A (the "2006 Bonds") were issued pursuant to the Bond Authorization. The proceeds of the Series A Bonds were used to finance new and modernized classrooms at five (5) of the District's nine (9) schools. On August 20, 2008, pursuant to the Bond Authorization, the \$12,385,076.75 Santee School District, General Obligation Bonds, Election of 2006, Series B, the \$2,869,039.35 Santee School District, General Obligation Bonds, Election of 2006, Series C and the \$7,840,155.20 Santee School District, General Obligation Bonds, Election of 2006, Series D (collectively, the "2008 Bonds") were issued. The proceeds of the 2008 Bonds were also used to finance new and modernized classrooms at five (5) of the District's nine (9) schools. There is currently \$18,905,728.70 principal amount remaining from the Bond Authorization for the issuance of additional bonds.

The District proposes to commence the construction of a new 10 classroom addition for the Hill Creek Elementary School ("Hill Creek") in July concurrent with the commencement of modernization of Hill Creek. It is proposed that the Board of Education authorize the issuance of not to exceed \$5,000,000 principal amount of the Santee School District 2011 General Obligation Bonds, Election of 2006, Series E (the "Bonds") in order to finance the construction of the classroom addition.

The Bonds are proposed to be issued by the District pursuant to the California Constitution, Chapter 1.5 of the California Education Code, the Bond Authorization and Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act"), the Bond Authorization and a resolution of the Board of Education authorizing the issuance of the Bonds (the "Resolution of Issuance") presented to the Board of Education for its consideration.

By adoption of the Resolution of Issuance, the Board of Education will be:

- authorizing the issuance of the Bonds in a principal amount not to exceed \$5,000,000;

- authorizing the sale of the Bonds as a negotiated sale to Stone & Youngberg LLC (the “Underwriter”) for the reasons specified in the Resolution of Issuance and subject to the following parameters:
 - the purchase price for the Bonds shall not be less than par, i.e., 100% of the principal amount of the Bonds;
 - the true interest cost for the Bonds shall not be in excess of 9.00%;
 - the Underwriter’s discount shall not exceed 1.7% of the principal amount of the Bonds (excluding any costs of issuance the Underwriter agrees to pay);
- approving the form of a Bond Purchase Agreement by and between the District and the Underwriter to establish the terms and conditions pursuant to which the Bonds will be sold by the District and purchased by the Underwriter and authorizing the Superintendent or Assistant Superintendent, Business Services, to approve and execute the final form of the Bond Purchase Agreement;
- approving the terms and conditions which will apply to the Bonds, including but not limited to:
 - the Bonds shall be structured as capital appreciation bonds, i.e., bonds that accrete interest rather than pay current interest to the owners of such bonds, and/or convertible capital appreciation bonds, i.e., bonds that accrete interest from the date of issuance to the conversion date, and, following the conversion date, pay current interest to the date of maturity of such bonds; and
 - the final maturity of the Bonds shall not exceed 40 years;
- requesting that the County of San Diego (the “County”) levy on all taxable property in the District a continuing direct *ad valorem* tax in an amount sufficient to pay the scheduled debt service on the Bonds;
- requesting that the County direct the Treasurer-Tax Collector of the County to serve as the paying agent for the Bonds;
- approving the form of the Preliminary Official Statement pertaining to the Bonds and authorizing the Superintendent or Assistant Superintendent, Business Services, to deem the Preliminary Official Statement “final” prior to its distribution and to approve and execute a final Official Statement;
- agreeing that the District will comply with and carry out the provisions of the Continuing Disclosure Certificate (Appendix C of the Preliminary Official Statement) to provide annual reports and certain additional reports upon the occurrence of certain specified events to comply with the requirements of federal securities laws and regulations; and
- appointing Best Best & Krieger LLP as bond and disclosure counsel for the Bonds.

To review the Preliminary Official Statement and the Bond Purchase Agreement, see Supplement A.

RECOMMENDATION:

It is recommended that the Board of Education adopt Resolution #1011-19, "Resolution of the Board of Education of the Santee School District Authorizing the Issuance of the Santee School District General Obligation Bonds, Election of 2006, Series E, in an Aggregate Principal Amount not to Exceed Five Million Dollars (\$5,000,000)" as submitted.

This recommendation supports the following District goal:

- Pursue actively the funding and resources to fulfill our mission and maintain fiscal solvency.
- Provide facilities that optimize the learning environment for all students.

FISCAL IMPACT:

The fiscal impact is up to \$5 million in bond proceeds for the Capital Improvement Program

STUDENT ACHIEVEMENT IMPACT:

This is a fiscal item. All fiscal resources impact student achievement.

Motion:		Second:		Vote:		Agenda Item F.2.1.
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RESOLUTION NO. 1011-19

**RESOLUTION OF THE BOARD OF EDUCATION OF
SANTEE SCHOOL DISTRICT AUTHORIZING THE
ISSUANCE OF SANTEE SCHOOL DISTRICT 2011
GENERAL OBLIGATION BONDS, ELECTION OF 2006,
SERIES E, IN AN AGGREGATE PRINCIPAL AMOUNT
NOT TO EXCEED FIVE MILLION DOLLARS (\$5,000,000)**

WHEREAS, pursuant to paragraph (3) of subdivision (b) of Section 1 of Article XIII A and subdivision (b) of Section 18 of Article XVI of the California Constitution and Chapter 1.5 of Part 10, Division 1, Title 1 of the Education Code of the State of California (“Chapter 1.5”), an election was duly called and regularly held in the Santee School District, County of San Diego, California (herein called the “District”), on November 7, 2006 (the “Election”), at which a bond proposition (the “Bond Proposition”) summarized as follows was submitted to the electors of the District:

“To improve the quality of education, shall the Santee School District modernize classroom facilities upgrade safety systems, enhance technology, improve traffic flow, and indoor/outdoor learning spaces, provide improved access for persons with disabilities, enhance technology and science lab facilities, and provide additional classrooms by issuing \$60,000,000 of bonds at an interest rate not to exceed the statutory limit, with a citizens' oversight committee, independent audits, and no money for salaries or administration”; and

WHEREAS, fifty-five percent or more of the votes cast on the Bond Proposition were in favor thereof and it was therefore approved (as approved, the “Bond Authorization”); and

WHEREAS, on April 17, 2007, pursuant to the Bond Authorization, the \$18,000,000 Santee School District 2007 General Obligation Bonds, Election of 2006, Series A” (the “Series A Bonds”) were issued; and

WHEREAS, on August 20, 2008, pursuant to the Bond Authorization, the \$12,385,076.75 Santee School District, General Obligation Bonds, Election of 2006, Series B, the \$2,869,039.35 Santee School District, General Obligation Bonds, Election of 2006, Series C and the \$7,840,155.20 Santee School District, General Obligation Bonds, Election of 2006, Series D were issued; and

WHEREAS, the Board of Education of the District (the “Board of Education”) has determined that general obligation bonds of the District to be designated “Santee School District 2011 General Obligation Bonds, Election of 2006, Series E” (the “Bonds”), shall be issued pursuant to the Bond Authorization in an aggregate principal amount that shall not exceed Five Million Dollars (\$5,000,000); and

WHEREAS, the District has not received a qualified or negative certification in its most recent interim report; and

WHEREAS, pursuant to the California Constitution, Chapter 1.5 of the California Education Code, the Bond Authorization and Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Act”), the Bonds are authorized to be issued for the purposes set forth in the Bond Authorization; and

WHEREAS, this Board of Education further deems it necessary and desirable to authorize the sale of the Bonds by a negotiated sale to Stone & Youngberg LLC. (the “Underwriter”), pursuant to a Bond Purchase Agreement (the “Bond Purchase Agreement”), and pursuant to Education Code Section 15146 has found and determined the following reasons therefor: to (1) better ensure that the tax rate estimated to voters at the time of the election will be maintained; (2) allow the District to control the timing and structuring of the sale of the Bonds to the municipal bond market and, potentially, take advantage of interest rate opportunities for the favorable sale of the Bonds; (3) provide more flexibility in the debt structure; (4) allow the District to work with participants familiar with the District; and (5) provide an ability to implement the sale of the Bonds in a shorter time period, an increased ability to structure the Bonds to fit the needs of particular purchasers, and a greater opportunity for the Underwriter to pre-market the Bonds to potential purchasers, including local residents, prior to the sale, all of which will contribute to the District’s goal of achieving the lowest overall cost of funds; and

WHEREAS, the District has appointed Best Best & Krieger LLP as Bond and Disclosure Counsel to the District with respect to the Bonds; and

WHEREAS, in accordance with Education Code Section 15146, estimates of the costs associated with the issuance of said bonds are attached hereto as Exhibit A; and

WHEREAS, there have been submitted and are on file with the Secretary of this Board of Education proposed forms of a Bond Purchase Agreement and an Official Statement with respect to the Bonds proposed to be sold; and

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 general obligation bonds of the District, and the indebtedness of the District, including the proposed issuance of the Bonds, is within all limits prescribed by law;

NOW, THEREFORE, THE BOARD OF EDUCATION OF SANTEE SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER, AS FOLLOWS:

Section 1. Authorization of the Bonds.

To raise money for the purposes authorized by voters of the District at the Election by approval of the Bond Authorization and to pay all necessary legal, financial and contingent costs in connection with the issuance of the Bonds, this Board hereby authorizes the issuance of the Bonds pursuant to the Act in one or more sub-series, and orders such Bonds sold at one or more negotiated sales such that the Bonds shall accrete or bear interest at rates not to exceed that authorized by the Bond Authorization, shall be payable upon such terms and provisions as shall be set forth in the Bonds, and shall be in an aggregate principal amount not-to-exceed \$5,000,000. The Bonds shall be issued at Capital Appreciation Bonds or Convertible Capital Appreciation Bonds.

The provisions, covenants and agreements set forth in this Resolution to be performed by or on behalf of the District constitute a contract for the equal benefit, protection and security of the Owners of the Bonds. All of the Bonds, without regard to the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by this Resolution.

Section 2. Approval of Negotiated Sale of the Bonds to the Underwriter pursuant to the Bond Purchase Agreement.

The Board hereby approves the sale of the Bonds at a negotiated sale to the Underwriter. The Bond Purchase Agreement for the Bonds, in substantially the form submitted to this Board of Education, is hereby approved, and the Superintendent of the District, the Assistant Superintendent, Business Services, of the District, or such other officer of the District designated in writing by the Superintendent or Assistant Superintendent, Business Services, for the purpose (each an "Authorized District Representative"), is hereby authorized and directed on behalf of the District to execute and approve the Bond Purchase Agreement providing for the sale by the District of the Bonds and the purchase by the Underwriter of the Bonds at a purchase price to be set forth therein; provided, that (i) said purchase price shall not be less than 100% of the principal amount of the Bonds; (ii) the true interest cost for the Bonds shall not be in excess of 9.00%, (iii) the effective compounded rate of interest on each Bond shall not exceed 12% per annum; (iv) the Underwriter's discount shall not exceed 1.70% of the aggregate principal amount of the Bonds (excluding any costs of issuance the Underwriter agrees to pay pursuant to the Bond Purchase Agreement); and (vi) the Bonds shall otherwise conform to the limitations specified herein; and provided further, that such execution and approval shall constitute conclusive evidence of the approval by the District of any changes or revisions therein from the form of Bond Purchase Agreement filed herewith.

Section 3. Definitions.

Unless otherwise set forth herein, as used in this Resolution, the terms set forth below shall have the following meanings given to them:

"Accreted Interest" means, with respect to the Bonds, the Accreted Value thereof minus the Denominational Amount thereof as of the date of calculation.

"Accreted Value" means with respect to the Bonds, as of the date of calculation, the Denominational Amount thereof, plus Accreted Interest thereon to such date of calculation, compounded semiannually on each February 1 and August 1, April 1 and October 1 or April 15 and October 15 (as specified in the Bond Purchase Agreement, commencing on the date stated in the Bond Purchase Agreement) at the stated Accretion Rate to maturity thereof, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

"Accretion Rate" means, unless otherwise provided in the Bond Purchase Agreement, that rate which, when applied to the Denominational Amount of any Capital Appreciation Bond or a Convertible Capital Appreciation Bond and compounded semiannually on each February 1 and August 1, April 1 and October 1 or August 15 or October 15 (as specified in the Bond

Purchase Agreement, commencing on the date set forth in the Bond Purchase Agreement), produces the Maturity Value on the maturity date (with respect to the Capital Appreciation Bonds) and the Conversion Value on the Conversion Date (with respect to the Convertible Capital Appreciation Bonds).

“Assistant Superintendent” means the Assistant Superintendent, Business Services, of the District.

“Bond Insurer” means any insurance company which issues a municipal bond insurance policy insuring the payment of the Principal of and interest on Convertible Capital Appreciation Bonds following the Conversion Date or the Denominational Amount and Accreted Interest of Capital Appreciation Bonds and the Convertible Capital Appreciation Bonds prior to the Conversion Date.

“Bond Payment Date” means (unless otherwise provided in the Bond Purchase Agreement), February 1 and August 1, April 1 and October 1 or April 15 and October 15 of each year as specified in the Bond Purchase Agreement, with respect to the compounding of interest on the Capital Appreciation Bonds and the Convertible Capital Appreciation Bonds prior to the Conversion Date; February 1 and August 1, April 1 and October 1 or April 15 and October 15 of each year as specified in the Bond Purchase Agreement, with respect to the payment of interest on the Convertible Capital Appreciation Bonds following the Conversion Date and April 1, April 15, August 1 or October 1 for payment of Accreted Value or Maturity Value on the Capital Appreciation Bonds and the Conversion Value on the Convertible Capital Appreciation Bonds as specified in the Bond Purchase Agreement.

“Bond Register” shall mean the registration books or records maintained by the Paying Agent for the Bonds.

“Bonds” or “Series E Bonds” means the Santee School District General Obligation Bonds, Election of 2006, Series E.

“Building Fund” means the fund by that name established pursuant to Section 10 hereof.

“Business Day” means any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in the State of California, the State of New York, or in the state in which the Paying Agent has its principal office are authorized or obligated by law or executive order to be closed.

“Capital Appreciation Bonds” means any Bonds the interest component of which is compounded semiannually on each Bond Payment Date to maturity as shown in the table of Accreted Value for such Bonds in the Bond Purchase Agreement.

“Code” means the Internal Revenue Code of 1986, as amended.

“Continuing Disclosure Certificate” means the Continuing Disclosure Certificate to be executed by the District pursuant to Rule 15c2-12(b)(5) of the Securities and Exchange Commission and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Conversion Date” means, as to the Convertible Capital Appreciation Bonds, the date as specified in the Bond Purchase Agreement on which such Bonds shall convert to current interest bonds.

“Conversion Value” means, as to the Convertible Capital Appreciation Bonds, the Accreted Value of any Convertible Capital Appreciation Bond on its Conversion Date.

“Convertible Capital Appreciation Bonds” means any Bonds the interest component of which is compounded semiannually on each Bond Payment Date to the Conversion Date as shown in the table of Accreted Value for such Bonds in the Bond Purchase Agreement and, from and after the Conversion Date, bear interest on its Conversion Value which is payable semiannually on each Bond Payment Date specified for such Bond as designated and maturing in the years and in the amounts set forth in the Bond Purchase Agreement.

“County” means the County of San Diego.

“Debt Service Fund” means the fund by that name established pursuant to Section 10 hereof.

“Denominational Amount” means, with respect to any Capital Appreciation Bonds or Convertible Capital Appreciation Bonds, the initial purchase price thereof, which represents the principal amount thereof.

“Depository” means DTC or a substitute securities depository acting as Depository pursuant to Section 4(c) hereof.

“DTC” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as the initial Depository.

“Information Services” means Financial Information, Inc.'s "Daily Called Bond Service," 1 Cragwood Road, 2nd Floor, South Plainfield, New Jersey 07080, Attention: Editor; Standard & Poor's Ratings Corp "Called Bond Data," 55 Water Street, New York, New York, 10041; FIS/Mergent, 580 Kingsley Park Drive, Fort Mill, South Carolina, 28715, Attention: Called Bond Department, and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds as the District may designate in a written request of the District delivered to the Paying Agent.

“Maturity Value” means the Accreted Value of any Capital Appreciation Bond on its maturity date.

“Official Statement” means the final Official Statement with respect to the Bonds.

“Owner” or “Owners” means an Owner of or the Owners of the outstanding Bonds as recorded in the Bond Register.

“Paying Agent” means the San Diego County Treasurer – Tax Collector or such financial institution that the Assistant Superintendent appoints and who is named as Paying Agent in the Official Statement, or any successor thereto.

“Paying Agent Agreement” means the Paying Agent Agreement to be entered into between the District and the Paying Agent.

“Principal” or “Principal Amount” means, with respect to any Capital Appreciation Bond and any Convertible Capital Appreciation Bond, the Denominational Amount thereof.

“Record Date” means the close of business on the fifteenth day of the month preceding each Bond Payment Date.

“Resolution” means this Resolution.

“Securities Depositories” means the following: The Depository Trust Company, with Cede & Co. as its nominee, Call Notification Department, 55 Water Street, 25th Floor, New York, NY 10041, Telecopy: (212) 855-5004, and in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a written request of the District delivered to the Paying Agent.

“Term Bonds” means those Bonds, if any, for which mandatory sinking fund redemption dates have been established pursuant to the Bond Purchase Agreement.

“Transfer Amount” means, with respect to any outstanding Capital Appreciation Bond or Convertible Capital Appreciation Bond, the Maturity Value.

“Treasurer” means the Treasurer-Tax Collector of the County of San Diego.

Section 4. Terms of the Bonds.

(a) Denomination, Interest, Dated Dates, Maturity Dates.

The Bonds shall be issued as Bonds registered as to both principal and interest, in a Five Thousand Dollars (\$5,000) Maturity Value, or any integral multiple thereof.

Each Capital Appreciation Bond shall be dated, and shall accrete interest from, its date of initial issuance. Capital Appreciation Bonds shall not bear interest on a current basis.

Each Convertible Capital Appreciation Bond shall be dated, and shall accrete interest from, its date of initial issuance to its Conversion Date. Each Convertible Capital Appreciation Bond shall bear interest on a current basis from and after its Conversion Date.

The Bonds shall bear interest or accrete interest at a rate or rates such that the interest rate on any Bond shall not exceed twelve percent (12%) per annum. Interest shall be payable on the Bond Payment Dates. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Pursuant to Section 53508 of the Government Code of the State of California, the time of maturity of the Bonds shall not exceed forty (40) years.

The Capital Appreciation Bonds shall mature in the years and shall be issued in the aggregate Denominational Amounts set forth in the Bond Purchase Agreement, and shall have Denominational Amounts and Maturity Values per each Five Thousand Dollars (\$5,000) in Maturity Value and Accretion Rates as shown in the Accreted Value Table and as specified in the Bond Purchase Agreement; provided, that if the amount of the Accreted Value shown in such Accreted Value Table and the Accreted Value of any Capital Appreciation Bonds, as calculated by the District, by application of the definition of Accreted Value set forth in Section 3 hereof, [and approved by the Bond Insurer,] are different, such calculated and approved amount shall be the Accreted Value of such Capital Appreciation Bonds.

The Convertible Capital Appreciation Bonds shall mature in the years and shall be issued in the aggregate Denominational Amounts set forth in the Bond Purchase Agreement, and shall have Denominational Amounts and Conversion Values per each Five Thousand Dollars (\$5,000) in Conversion Value and Accretion Rates as shown in the Accreted Value Table and as specified in the Bond Purchase Agreement; provided, that if the amount of the Accreted Value shown in such Accreted Value Table and the Accreted Value of any Convertible Capital Appreciation Bonds, as calculated by the District, by application of the definition of Accreted Value set forth in Section 3 hereof[, and approved by the Bond Insurer,] are different, such calculated and approved amount shall be the Accreted Value of such Convertible Capital Appreciation Bonds.

(b) Redemption.

(1) Optional Redemption. The Bonds shall be subject to optional redemption as provided in the Bond Purchase Agreement.

(2) Mandatory Redemption. As provided in the Bond Purchase Agreement, any Bonds issued as Term Bonds are subject to mandatory redemption without premium from funds in the Debt Service Fund prior to their stated Maturity Dates, at the Principal Amount or Accreted Value thereof on each August 1, April 1 or April 15 as specified in the Bond Purchase Agreement, commencing in the year specified in the Bond Purchase Agreement and in Principal Amounts or Accreted Values as specified in the Bond Purchase Agreement.

(3) Selection of Bonds for Redemption. Upon any optional redemption of Bonds, if less than all outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Bonds for redemption as so directed in such written instruction or, if no direction is given, in inverse order of maturity. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine to be appropriate. If the Bond Purchase Agreement provides for the optional redemption of Bonds, the portion of any Bond to be redeemed in part shall be in integral multiples of the Accreted Value per Five Thousand Dollars (\$5,000) of the Maturity Value or Conversion Value thereof, as applicable. If some but not all of the Term Bonds are redeemed, the aggregate Principal Amount of the Term Bonds to be redeemed in each year shall be reduced by the aggregate Principal Amount of the Term Bonds so redeemed to be allocated among Principal Amounts on a pro-rata basis in integral multiples of Five Thousand Dollars (\$5,000).

(4) Notice of Redemption. When redemption is authorized or required, and when the Paying Agent receives written instructions from the District, the Paying Agent shall give notice (a “Redemption Notice”) of the redemption of the Bonds. Such Redemption Notice shall specify: (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the Principal Amount and stated Maturity Date of each Bond to be redeemed in part. Such Redemption Notice shall further state that on the specified redemption date there shall become due and payable upon each Bond, or portion thereof being redeemed, the redemption price thereof, together with the interest accrued or accreted to the redemption date, and that from and after such date, interest with respect to each Bond shall cease to accrue or accrete.

The Paying Agent shall take the following actions with respect to any such Redemption Notice:

(A) At least thirty (30) but not more than forty-five (45) days prior to the redemption date, the Redemption Notice shall be given to the respective Owners of Bonds designated for redemption by first class mail, postage prepaid, at their addresses appearing on the Bond Register.

(B) At least thirty (30) but not more than forty-five (45) days prior to the redemption date, the Redemption Notice shall be given by (1) first class mail, postage prepaid, (2) telephonically confirmed facsimile transmission, or (3) overnight delivery service, to each of the Securities Depositories.

(C) At least thirty (30) but not more than forty (45) days prior to the redemption date, the Redemption Notice shall be given by (1) first class mail, postage prepaid, (2) telephonically confirmed facsimile transmission, or (3) overnight delivery service, to one of the Information Services.

Neither failure to receive or failure to give any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the Bonds which are being redeemed. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds shall bear or include the CUSIP number identifying, by series and maturity, the Bonds being redeemed with such check or other transfer.

(5) Contingent Redemption. Any Redemption Notice may specify that redemption of the Bonds designated for redemption on the specified date will be subject to the receipt by the District of monies sufficient to cause such redemption (and will specify the proposed source of such monies), and neither the District nor the County will have any liability to the Owners of any Bonds, or any other party, as a result of the District’s failure to redeem the Bonds designated for redemption as a result of insufficient monies therefor.

(6) Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the District shall execute and the Paying Agent shall authenticate and deliver to the Owner thereof a new Bond or Bonds of like series, tenor and maturity and of authorized denominations equal in Transfer Amount to the unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

(7) Effect of Notice of Redemption. Notice having been given as aforesaid, and funds for the redemption of the Bonds (including interest accrued thereon to the date of redemption) having been set aside in the Debt Service Fund, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Bonds to be redeemed, as provided in subsections (b)(1) and (b)(2) of this Section 4, including interest accrued thereon to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue or accrete and become payable. All money held by or on behalf of the Paying Agent for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 4 shall be cancelled, upon surrender thereof, and shall be delivered to the District.

(8) Purchase of Bonds. In lieu of payment at maturity or redemption under this subsection (b), at the request of the District, moneys in the Debt Service Fund may be used and withdrawn by the Treasurer for the purchase of outstanding Bonds, at public or private sale as and when, and at such prices (including brokerage and other charges) as the District may direct, but in no event may Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase. All or any portion of any Bond purchased by the Treasurer, in lieu of payment at maturity or redemption, shall be surrendered to and cancelled by the Paying Agent and delivered to the District.

(8) Bonds No Longer Outstanding. When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to the Paying Agent, and sufficient funds shall be held by the Paying Agent irrevocably in trust for the payment of the redemption price of such Bonds, or portions thereof, and, in the case of Convertible Capital Appreciation Bonds following the Conversion Date, accrued interest with respect thereto to the date fixed for redemption, all as provided in this Resolution, then such Bonds shall no longer be deemed outstanding and shall, as herein previously provided, be surrendered to the Paying Agent for cancellation.

(9) Transfer of Funds to the Paying Agent. Prior to the redemption date selected for optional redemption of Bonds as provided in subsection (b)(1) of this Section 4, the Treasurer

shall not later than the Business Day before such redemption date, transfer from the Debt Service Fund to the Paying Agent the funds required to pay the redemption prices for the Bonds selected for redemption.

(c) Book-Entry System.

(1) Definitions. As used in this subsection (c), the terms set forth below shall have the meanings ascribed to them:

“Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to this subsection (c). Initially, “Nominee” means Cede & Co., the nominee of DTC, the initial Depository.

“Participants” means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.

(2) Election of Book-Entry System. The Assistant Superintendent shall cause the delivery of a separate single fully-registered bond (which may be typewritten) for each maturity date of the Bonds in an authorized denomination (except for any odd denomination Capital Appreciation Bond). The ownership of each such Bond shall be registered in the Bond Register in the name of the Nominee, as nominee of the Depository, and ownership of the Bonds, or any portion thereof, may not thereafter be transferred except as provided in this subsection (c). Each such book-entry Bond shall be delivered to DTC on the date of delivery of the Bonds to the Underwriter.

With respect to book-entry Bonds, the District and the Paying Agent shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book-entry Bonds. Without limiting the immediately preceding sentence, the District and the Paying Agent shall have no responsibility or obligation with respect to (1) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in book-entry Bonds; (2) the delivery to any Participant or any other person, other than an Owner as shown in the Bond Register, of any notice with respect to book-entry Bonds, including any notice of redemption; (3) the selection by the Depository and its Participants of the beneficial interests in book-entry Bonds to be redeemed in the event the District redeems the Bonds in part; or (4) the payment by the Depository, or any Participant or any other person, of any amount with respect to Principal of, premium, if any, or interest on or Accreted Value of the book-entry Bonds. The District and the Paying Agent may treat and consider the person in whose name each book-entry Bond is registered in the Bond Register as the absolute owner of such book-entry Bond for the purpose of payment of Principal of, premium, if any, and interest on or Accreted Value of such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all Principal of, premium, if any, and interest on or Accreted Value of the Bonds only to or upon the order of the Owners, as shown in the Bond Register, or an attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District’s obligations with respect to payment of Principal of, premium, if any, and

interest on or Accreted Value of the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond Register, shall receive a certificate evidencing the obligation to make payments of Principal of, premium, if any, and interest on or Accreted Value of the Bonds. Upon delivery by the Depository to the District and the Paying Agent of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions of this Resolution with respect to the Record Date, the word “Nominee” shall refer to such nominee of the Depository.

(3) Delivery of Letter of Representations. In order to qualify the book-entry Bonds for the Depository’s book-entry system, the District shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the District or the Paying Agent any obligation whatsoever with respect to persons having interests in such book-entry Bonds other than the Owners thereof, as shown on the Bond Register. By executing a Letter of Representations, the District shall agree to take all action necessary at all times so that the District will be in compliance with all representations of the District in such Letter of Representations. In addition to the execution and delivery of a Letter of Representations, the District shall take such other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify the Bonds for the Depository’s book-entry system.

(4) Selection of Depository. In the event (1) the Depository determines not to continue to act as securities depository for book-entry Bonds; or (2) the District determines that continuation of the book-entry system is not in the best interest of the Owners of the Bonds or the District, the District shall discontinue the book-entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered Bond for each Maturity Date of such book-entry Bonds, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (vi) below. If the District fails to select another qualified securities depository to replace the Depository, the Bonds shall no longer be restricted to being registered in the Bond Register in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Bonds shall designate, in accordance with the provisions of this subsection (c).

(5) Payments to Depository. Notwithstanding any other provision of this Resolution to the contrary, so long as all outstanding Bonds are in book-entry form and registered in the name of the Nominee, all payments with respect to Principal of, premium, if any, and interest on or Accreted Value of the Bonds and all notices with respect to the Bonds shall be made and given to the Nominee, as provided in the Letter of Representations or as otherwise instructed by the Depository and agreed to by the District, notwithstanding any inconsistent provisions of this Resolution.

(6) Transfer of Bonds to Substitute Depository.

(A) The Bonds shall be initially issued and delivered to DTC as described in the Official Statement. Registered ownership of the Bonds, or any portions thereof, may not thereafter be transferred except:

(i) to any successor of DTC or its Nominee, or of any substitute depository designated by the District as provided in this subsection (c) (“Substitute Depository”); provided that any successor of DTC or any Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(ii) to any Substitute Depository, upon (a) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as Depository, or (b) a determination by the District that DTC or its successor (or any Substitute Depository or its successor) is no longer able to carry out its functions as Depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) to any person, as provided below, upon (a) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as Depository, or (b) a determination by the District that DTC or its successor (or any Substitute Depository or its successor) is no longer able to carry out its functions as Depository.

(iv) In the case of any transfer pursuant to paragraph (A)(i) or (ii) above, upon receipt of all outstanding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent designating a Substitute Depository, a single new Bond, which the District shall prepare or cause to be prepared, shall be executed and delivered for each maturity of the Bonds then outstanding, registered in the name of such Substitute Depository or its Nominee, as appropriate, all as specified in such written request of the District. In the case of any transfer pursuant to paragraph (A)(iii) above, upon receipt of all outstanding Bonds by the Paying Agent, new Bonds, which the District shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such written request of the District, provided that the Paying Agent shall not be required to deliver such new Bonds within a period of less than sixty (60) days from the date of receipt of such written request from the District.

(7) Partial Redemption. In the case of a partial redemption or an advance refunding of any Bonds evidencing a portion of the Principal or Maturity Value of the Bonds maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such Bonds indicating the date and amounts of such reduction in Principal or Maturity Value, in form acceptable to the Paying Agent, all in accordance with the Letter of Representations. The Paying Agent shall not be liable for the failure of DTC or any Substitute Depository to make such notations or errors in making such notations.

(8) Ownership of Bonds. The District and the Paying Agent shall be entitled to treat the person in whose name any Bond is registered as the Owner thereof for all purposes of this Resolution and any applicable laws, notwithstanding any notice to the contrary received by the

Paying Agent or the District; and the District and the Paying Agent shall not have any responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial Owners of the Bonds. Neither the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to any such beneficial Owners or to any other party, including DTC or its successor (or any Substitute Depository or its successor), except to the Owners of the Bonds, and the District and the Paying Agent may rely conclusively on the Bond Register as to the identity of the Owners of the Bonds.

Section 5. Execution of Bonds.

The Bonds shall be signed by the President of the Board of Education and countersigned by the Clerk of the Board of Education, in their official capacities, by their manual or facsimile signatures. No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Bond is signed by the Paying Agent as authenticating agent. Authentication by the Paying Agent shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

Section 6. Bond Registration; Transfer, Exchange and Payment.

(a) Paying Agent.

The Paying Agent shall act as the authentication agent, bond registrar, transfer agent, and paying agent for the Bonds (the "Paying Agent"). The Paying Agent may charge the District reasonable fees for performing the functions of the Paying Agent, and the District shall cause the Treasurer to withdraw funds held in the Debt Service Fund in amounts necessary to pay such fees.

The Paying Agent may at any time resign as authentication agent, bond registrar, transfer agent, and paying agent by giving written notice to the District at least sixty (60) days in advance of the effective date of such resignation. Prior to the effective date of such resignation, as stated in such notice, the District shall select and appoint a successor Paying Agent. Thereafter, written notice of the Paying Agent's resignation and of the appointment of such successor Paying Agent shall be given by first class mail to the Owners of the Bonds.

(b) Transfer and Exchange.

So long as any of the Bonds remains outstanding, the District shall cause the Paying Agent to maintain and keep at its principal office all books and records necessary for the registration, exchange and transfer of the Bonds as provided in this Section. Subject to the provisions of Section 7 hereof, the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute Owner of that Bond for all purposes of this Resolution. Payment of or on account of the Principal or Accreted Value of and premium, if any, and interest on any Bond shall be made only to or upon the order of such Owner; neither the District nor the Paying Agent shall be affected by any notice to the contrary, but the registration of such Bonds may be changed as provided in this Section. All such payments shall be valid and effectual to

satisfy and discharge the District's liability upon the Bonds, to the extent of the amount or amounts so paid.

Any Bond may be exchanged for Bonds of like series, tenor, maturity and Transfer Amount upon presentation and surrender at the principal office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred on the Bond Register only upon presentation and surrender of the Bond at the principal office of the Paying Agent together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of like series, tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing or accreting interest at the same rate and maturing on the same date. Capital Appreciation Bonds may not be exchanged for Convertible Capital Appreciation Bonds and Convertible Capital Appreciation Bonds may not be exchanged for Capital Appreciation Bonds.

If any Bond shall become mutilated, the District, at the expense of the Owner of such Bond, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like series, tenor, maturity and Transfer Amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Paying Agent of the Bond so mutilated. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Paying Agent and, if such evidence be satisfactory to the Paying Agent and indemnity for the Paying Agent and the District satisfactory to the Paying Agent shall be given by the Owner of such Bond, the District, at the expense of the Bond Owner, shall execute, and the Paying Agent shall authenticate and deliver, a new Bond of like series, tenor, maturity and Transfer Amount in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond the Paying Agent may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Paying Agent). The Paying Agent may require payment of a reasonable fee for each new Bond delivered pursuant to this paragraph and of the expenses which may be incurred by the District and the Paying Agent.

If manual signatures on behalf of the District are required in connection with an exchange or transfer, the Paying Agent shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the District. In all cases of exchanged or transferred Bonds, the District shall execute and the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All fees and costs of transfer shall be paid by the requesting party. All Bonds issued upon any exchange or transfer shall be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under this Resolution as the Bonds surrendered upon that exchange or transfer.

Any Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer shall be cancelled by the Paying Agent. The District may at any time deliver to the Paying Agent for cancellation any previously authenticated and delivered Bonds that the District may have acquired in any manner whatsoever, and those Bonds shall be promptly cancelled by the Paying Agent. Written reports of the surrender and cancellation of

Bonds shall be made to the District by the Paying Agent on or before the Bond Payment Date next succeeding such surrender and cancellation. The cancelled Bonds shall be delivered to the District or destroyed by the Paying Agent as directed by the District.

Neither the District nor the Paying Agent will be required (a) to exchange or transfer any Bonds during a period beginning with the opening of business on the sixteenth calendar day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable notice of redemption is given, or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

Section 7. Payment.

Payment of interest on any Convertible Capital Appreciation Bond on any Bond Payment Date after the Conversion Date shall be made by the Paying Agent to the person appearing on the Bond Register as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by check of the Paying Agent mailed to such Owner on the Bond Payment Date at his or her address as it appears on the Bond Register or at such other address as he or she may have filed with the Paying Agent for that purpose on or before the close of business on the Record Date. An Owner of Convertible Capital Appreciation Bonds in an aggregate Conversion Value of One Million Dollars (\$1,000,000) or more may request in writing to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account in the United States on file with the Paying Agent as of the Record Date. The Conversion Value, and redemption premiums, if any, payable on the Convertible Capital Appreciation Bonds and the Accreted Value and redemption premiums, if any, payable on any Capital Appreciation Bonds shall be payable upon maturity or redemption upon surrender at the principal office of the Paying Agent. The Conversion Value of and premium, if any, and interest on or Accreted Value of the Bonds shall be payable in lawful money of the United States. The Paying Agent is hereby authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. The Bonds are general obligations of the District and do not constitute an obligation of the County. No part of any fund of the County is pledged or obligated to the payment of the Bonds.

Section 8. Form of Bonds.

The Bonds shall be in substantially the forms that are attached hereto as Exhibit "B" (the form of the Capital Appreciation Bonds) and Exhibit "C" (the form of the Convertible Capital Appreciation Bonds), with such changes thereto as may be approved by the Assistant Superintendent to conform the Bonds to this Resolution and the Bond Purchase Agreement.

Section 9. Delivery of Bonds.

The Assistant Superintendent and the other authorized officers of the District shall cause the Bonds to be prepared and, following their sale, shall cause the Bonds to be executed and delivered, together with a complete transcript of the proceedings with respect to the issuance of the Bonds, to the Underwriter upon payment of the purchase price for the Bonds.

Section 10. Deposit of Proceeds of Bonds.

The proceeds from the sale of the Bonds, to the extent of the Principal Amount and Denominational Amount thereof, shall be paid to the Treasurer to the credit of the fund hereby created and established for the District and to be designated as the “Santee School District 2011 General Obligation Bonds , Election of 2006, Series E Building Fund” (the “Building Fund”), shall be kept separate and distinct from all other District and County funds, and shall be used solely for the purposes for which the Bonds are being issued. Neither the Treasurer nor the County shall have any responsibility for assuring the proper use of the Bond proceeds by the District. Except as provided in the following sentence, accrued interest and premium, if any, received by the Treasurer from the sale of the Bonds shall be kept separate and apart in the fund hereby created and established for the District and the Bonds and to be designated as the “Santee School District 2011 General Obligation Bonds , Election of 2006, Series E Debt Service Fund” (the “Debt Service Fund”) and shall used only for payment of Conversion Value of, premium, if any, and interest on the Convertible Capital Appreciation Bonds or Accreted Value of the Capital Appreciation Bonds. Interest earnings on moneys held in the Building Fund shall be retained in the Building Fund. Interest earnings on moneys held in the Debt Service Fund shall be retained in the Debt Service Fund. Any excess proceeds of the Bonds not needed for the authorized purposes set forth herein for which the Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of the Accreted Value or the Conversion Value of and interest on the Bonds. If, after payment in full of the Bonds, there remain excess amounts in the Debt Service Fund, any such excess amounts shall be transferred to the General Fund of the District.

All funds held by the Treasurer hereunder shall be invested by the Treasurer in the County Investment Pool, the Local Agency Investment Fund, any investment authorized pursuant to Sections 53601 and 53635 of the Government Code of California (the “Government Code”), or in investment agreements, including guaranteed investment contracts, float contracts or other investment products (provided that such agreements comply with the requirements of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and with the requirements of each rating agency then rating the Bonds necessary in order to maintain the then-current rating on the Bonds). The Treasurer shall assume no responsibility in the reporting, reconciling and monitoring in the investment of proceeds related to the Bonds.

Except as required to satisfy the requirements of Section 148(f) of the Code, as provided in Section 11 hereof, interest earned on the investment of funds held in the Debt Service Fund shall be retained in the Debt Service Fund and used by the Treasurer to pay the Conversion Value of, premium, if any, and interest on or Accreted Value of the Bonds when due.

Section 11. Rebate Fund

(a) The District shall cause the Treasurer to create and establish a special fund designated the “Santee School District 2011 General Obligation Bonds , Election of 2006, Series E Rebate Fund” (the “Rebate Fund”). All amounts at any time on deposit in the Rebate Fund shall be held in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the “Rebate Requirement”) pursuant to Section 148 of the Code, and the Regulations of the United States Department of the Treasury promulgated thereunder (the

“Treasury Regulations”). Such amounts shall be free and clear of any lien under this Resolution and shall be governed by this Section 11 and by the Tax Certificate to be executed and delivered by the District on the date of delivery of the Bonds to the Underwriter. The Treasurer shall be deemed conclusively to have complied with the Rebate Requirement if he follows the written requests of the District, and shall have no independent responsibility to, or liability from, the failure to enforce compliance by the District with the Rebate Requirement.

(b) Within forty-five (45) days of the end of each fifth Bond Year (as such term is defined in the Tax Certificate), (1) the District shall calculate or cause to be calculated with respect to the Bonds the amount that would be considered the “rebate amount” within the meaning of Section 1.148-3 of the Treasury Regulations, using as the “computation date” for that purpose the end of such Bond Year, and (2) the District shall deposit to the Rebate Fund from amounts on deposit in the other funds established pursuant to this Resolution or from other District funds, if and to the extent required, amounts sufficient to cause the balance in the Rebate Fund to be equal to the “rebate amount” so calculated. The District shall not be required to deposit any amount to the Rebate Fund in accordance with the preceding sentence, if the amount on deposit in the Rebate Fund prior to the deposit required to be made under this subsection (b) equals or exceeds the “rebate amount” calculated in accordance with the preceding sentence. Such excess may be withdrawn from the Rebate Fund to the extent permitted under subsection (g) of this Section 11. The District shall not be required to calculate the “rebate amount” and shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b) with respect to all or a portion of the proceeds of the Bonds (including amounts treated as proceeds of the Bonds) (1) to the extent such proceeds satisfy the expenditure requirements of Section 148(f)(4)(B) or Section 148(f)(4)(C) of the Code or Section 1.148-7(d) of the Treasury Regulations, whichever is applicable, and otherwise qualify for the exception to the Rebate Requirement pursuant to whichever of said sections is applicable, (2) to the extent such proceeds are subject to an election by the District under Section 148(f)(4)(C)(vii) of the Code to pay a one and one-half percent (1½ %) penalty in lieu of arbitrage rebate in the event any of the percentage expenditure requirements of Section 148(f)(4)(C) are not satisfied, or (3) to the extent such proceeds qualify for the exception to arbitrage rebate under Section 148(f)(4)(A)(ii) of the Code for amounts in a “bona fide debt service fund.” In any such event, and with respect to such amounts, the District shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b).

(c) Any funds remaining in the Rebate Fund after redemption of all the Bonds and payment of any amounts described in clause (ii) of subsection (d) of this Section 11, or provision made therefor satisfactory to the District, including accrued interest, shall be remitted to the District.

(d) Subject to the exceptions contained in subsection (b) of this Section 11 to the requirement to calculate the “rebate amount” and make deposits to the Rebate Fund, the District shall pay to the United States, from amounts on deposit in the Rebate Fund:

- (1) not later than sixty (60) days after the end of (1) the fifth Bond Year and
- (2) each fifth Bond Year thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the “rebate amount” calculated as of the end of such Bond Year in accordance with Section 1.148-3 of the Treasury Regulations; and

(2) not later than sixty (60) days after the payment of all Bonds, an amount equal to one hundred percent (100%) of the “rebate amount” calculated as of the date of such payment (and any interest income attributable to the “rebate amount” determined to be due and payable) in accordance with Section 1.148-3 of the Treasury Regulations.

(e) In the event that, prior to the time any payment is required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the District shall calculate (or have calculated) the amount of such deficiency and deposit an amount equal to such deficiency to the Rebate Fund prior to the time such payment is due.

(f) Each payment required to be made pursuant to subsection (d) of this Section 11 shall be made to the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255, on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, such form to be prepared or caused to be prepared by the District.

(g) In the event that immediately following the calculations required by subsection (b) of this Section 11, but prior to any deposit made to the Rebate Fund pursuant to that subsection, the amount on deposit in the Rebate Fund exceeds the “rebate amount” calculated in accordance with that subsection, the excess shall be withdrawn from the Rebate Fund and transferred as directed by the District.

(h) The District shall retain records of all determinations made pursuant to this Section 11 until six years after payment in full and retirement of all of the Bonds.

(i) Notwithstanding anything in this Resolution to the contrary, the Rebate Requirement shall survive the payment in full or defeasance of the Bonds.

Section 12. Security for the Bonds.

So long as the Bonds are outstanding, there shall be levied annually on all the taxable property in the District, in addition to all other taxes, a continuing direct *ad valorem* tax in an amount sufficient to pay the Conversion Value of and interest on or Accreted Value of the Bonds when and as the same become due. The revenues from the annual levies of such *ad valorem* taxes, as received by the Treasurer and deposited in the Debt Service Fund, are pledged to the payment of the Conversion Value of and interest on or Accreted Value of the Bonds.

The moneys in the Debt Service Fund, to the extent necessary to pay the Conversion Value and Accreted Value of and interest on the Bonds as the same become due and payable, shall be transferred by the Treasurer to the Paying Agent which, in turn, shall pay such moneys to DTC to pay the Conversion Value of and Accreted Value of and interest on the Bonds. DTC will thereupon make payments of Conversion Value and Accreted Value and interest on the Bonds to the DTC Participants who will thereupon make payments of Conversion Value and Accreted Value and interest to the beneficial owners of the Bonds. Any moneys remaining in the Debt Service Fund after the Bonds and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the General Fund of the District, pursuant to the Education Code Section 15234.

Section 13. Tax Covenants.

The Board of Education covenants that:

- (a) the District will not take any action or omit to take any action that would cause any of the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code;
- (b) the District will not take any action or omit to take any action that would result in loss of exclusion from gross income for purposes of federal income taxation, under Section 103(a) of the Code, of interest paid with respect to the Bonds;
- (c) the District will not take any action or omit to take any action that would cause any of the Bonds to be “private activity bonds” within the meaning of Section 141 of the Code;
- (d) the District will comply with the Tax Certificate to be delivered by the District in connection with the issuance of the Bonds as a source of guidance for achieving compliance with the Code and the Treasury Regulations; and
- (e) in order to maintain the exclusion from gross income for purposes of federal income taxation of interest paid with respect to the Bonds, the District will comply with each applicable requirement of Section 103 and Sections 141 through 150 of the Code.

Section 14. Conditions Precedent.

The Board of Education determines that all acts and conditions necessary to be performed by the District or to have been satisfied precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been satisfied, in regular and proper form as required by law; that the full faith, credit and revenues of the District are pledged for the timely payment of the Principal of and interest on the Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

The Board further finds and determines that as a result of the issuance of the Bonds under the provisions of the Act, the overall outstanding general obligation bond debt of the District will be amortized in a more level manner.

Section 15. Official Statement.

The Preliminary Official Statement relating to the Bonds, substantially in the form on file with the Clerk of the Board is hereby approved and the Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deliver such Preliminary Official Statement to the Underwriter to be used in connection with the offering and sale of the Bonds. The Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deem the Preliminary Official Statement “final” pursuant to Rule 15c2-12 of the Securities and Exchange Commission, promulgated under the Securities Exchange Act of 1934, as amended, prior to its distribution and to execute and deliver to the Underwriter a final Official Statement, substantially in the form of the Preliminary Official Statement, with such changes therein, deletions therefrom and modifications thereto as the

Authorized Officer executing the same shall approve. The Underwriter is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Bonds and is directed to deliver copies of any final Official Statement to the purchasers of the Bonds. Execution of the Official Statement shall conclusively evidence the District's approval of the Official Statement.

Section 16. Insurance.

In the event the District purchases a policy of municipal bond insurance for the Bonds, and to the extent that the Bond Insurer which issues such policy makes payment of the Accreted Value of the Capital Appreciation Bonds and the Convertible Capital Appreciation Bonds prior to the Conversion Date and the Conversion Value and accrued interest on the Convertible Capital Appreciation Bonds following the Conversion Date, it shall become the Owner of such Bonds with the right to payment of Principal of and interest on or Accreted Value of such Bonds, and shall be fully subrogated to all of the rights of the Owners, including the rights of the Owners to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims regarding payment of past due interest on the Bonds, the Paying Agent shall note the Bond Insurer's rights as subrogee on the Bond Register upon receipt of a copy of the cancelled check issued by the Bond Insurer for the payment of such interest to the Owners of the Bonds, and (ii) in the case of subrogation as to claims regarding payment of past due Principal or Accreted Value, the Paying Agent shall note the Bond Insurer's rights as subrogee on the Bond Register upon surrender of the Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

Section 17. Defeasance.

All or any portion of the outstanding Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with the Treasurer or with an independent escrow agent selected by the District, with the concurrence of the Treasurer, an amount of money which together with the amount then on deposit in the Debt Service Fund is sufficient to pay all Bonds outstanding and designated for defeasance, including all Principal and interest, Accreted Value, if any, and premium, if any, at or before their Maturity Dates; or

(b) United States Obligations: by irrevocably depositing with the Treasurer or with an independent escrow agent selected by the District, with the concurrence of the Treasurer, noncallable United States Obligations (as defined below) together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon, and the amount then on deposit in the Debt Service Fund, together with the interest to accrue thereon, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance, including all Principal, interest, Accreted Value, if any, and premium, if any, at or before their Maturity Dates;

then, notwithstanding that any of such Bonds shall not have been surrendered for payment, all obligations of the District and the Paying Agent with respect to all such designated outstanding Bonds shall cease and terminate, except only the obligation of the District or an independent

escrow agent selected by the District, with the concurrence of the Treasurer, to pay or cause to be paid from funds deposited pursuant to paragraph (a) or (b) above, to the Owners of such designated Bonds not so surrendered and paid all sums due with respect thereto.

For purposes of this Section, United States Obligations shall mean:

Direct and general obligations of the United States or obligations that are unconditionally guaranteed as to principal and interest by the United States, including (in the case of direct and general obligations of the United States) evidences of direct ownership or proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States Obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States Obligations; (c) the underlying United States Obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; and (d) such United States Obligations are rated "AAA" by Standard & Poor's Ratings Services or "Aaa" by Moody's Investor Service.

Section 18. Designation of Bonds as "Qualified Tax-Exempt Obligations."

The District hereby designates the Bonds as a "qualified tax-exempt obligations" for purposes of subparagraph (B) of paragraph (3) of section 265(b) of the Code and covenants that the Bonds do not constitute "private activity bonds" as defined in Section 141 of the Code, and that during the calendar year 2011, not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103 (a) of the Code) from gross income for federal income tax purposes (excluding, however, "private activity bonds", as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the Bonds, have been or shall be issued by the District and all subordinate entities, as that term is used in Section 265 of the Code, of the District

Section 19. Other Actions.

The Superintendent, the Assistant Superintendent and the other officers and staff of the District are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Bonds and otherwise carry out, give effect to and comply with the provisions and intent of this Resolution. Such actions heretofore taken by the Superintendent, the Assistant Superintendent and such officers and staff are hereby ratified, confirmed and approved.

Notwithstanding the provisions of Section 4 hereof, the Superintendent, the Assistant Superintendent and the other officers of the District who are authorized to take action necessary to accomplish the purpose of this Resolution and to provide for the issuance, sale and delivery of

the Bonds are authorized, upon consultation with bond counsel to the District, to issue and deliver the Bonds as Capital Appreciation Bonds, Convertible Capital Appreciation Bonds or such combination thereof as may be provided for in the Official Statement and to modify the terms of the Bonds as may be necessary to conform to and satisfy the requirements of the descriptions of the Bonds and their terms contained in the Bond Purchase Agreement.

The provisions of this Resolution may be amended by the Bond Purchase Agreement and the Official Statement.

Section 20. Continuing Disclosure.

The Board of Education covenants and agrees that the District will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Any Bond Owner 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 pursuant to the Continuing Disclosure Certificate.

Section 21. Supplemental Resolutions.

This Resolution and the rights and obligations of the District and of the Owners of the Bonds may be modified or amended at any time by a supplemental resolution adopted by the Board of Education ("Supplemental Resolution") with the written consent of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then outstanding. No such modification or amendment shall (i) extend the maturity of any Bond or the time for paying interest thereon, or otherwise alter or impair the obligation of the District to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation of any pledge of or lien upon the monies on deposit in the Debt Service Fund, superior to or on a parity with the pledge and lien created for the benefit of the Bonds, (iii) reduce the percentage of Bonds required for the amendment of this Resolution, or (iv) reduce the principal amount of or redemption premium on any Bond or reduce the interest rate thereon. Any such amendment may not modify any of the rights or obligations of the Paying Agent without its written consent.

This Resolution and the rights and obligations of the District and the Owners of the Bonds may be modified or amended at any time by a Supplemental Resolution, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the District in this Resolution contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the District;

(ii) to make modifications not adversely affecting any outstanding Bonds in any material respect;

(iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provisions of this Resolution, or in regard to questions arising under this Resolution, as the District may deem necessary or

desirable and not inconsistent with this Resolution, and which shall not adversely affect the rights of the Owners of the Bonds; or

(iv) to make such additions, deletions or modifications as may be necessary or desirable to assure compliance by the District with Section 148 of the Code relating to required rebate of monies to the United States or otherwise as may be necessary to assure exclusion from gross income for federal income tax purposes of interest on the Bonds or to conform with the Treasury Regulations.

Any action taken pursuant to a Supplemental Resolution so consented to by the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then outstanding shall be binding on the Owners of all of the Bonds and shall not be deemed to be inconsistent with any of the provisions of this Resolution, whatever the character of such action may be, and such action may be taken and performed as fully and freely as if expressly permitted by this Resolution. After such consent relating to specified matters has been given, no Bond Owner shall have any right or interest to object to any such action or in any manner to question the propriety thereof or to enjoin or restrain the District or the Paying Agent, or any officer or agent of either thereof, from taking any action pursuant to such consent.

Section 22. Payment on Business Day.

In any instance where the date of the payment of interest on or Conversion Value (and premium, if any) or Accreted Value of the Bonds or the date fixed for redemption is other than a Business Day, the payment of interest or Conversion Value or Accreted Value (and premium, if any) need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required, and no interest shall accrue for the period from and after such date.

Section 23. Unclaimed Monies.

Anything contained in this Resolution to the contrary notwithstanding, any monies held by the Treasurer or the Paying Agent in trust for the payment and discharge of the Conversion Value of, the interest and any premium on, or the Accreted Value of the Bonds which remain unclaimed for two (2) years after the date when the payment of such Conversion Value, interest and premium or Accreted Value have become payable, if such monies were held by the Treasurer or the Paying Agent at such date, shall be deposited by the Treasurer to the account of the District as its absolute property free from any trust, and the Treasurer and the Paying Agent shall thereupon be released and discharged with respect thereto and the Owners of such Bonds shall look only to the District for the payment of the Conversion Value of, interest and any premium on, or Accreted Value of their Bonds.

Section 24. Appointment of Professionals.

The Board of Education appoints Stone & Youngberg, San Francisco, as Underwriter and Best Best & Krieger LLP, San Diego, as bond counsel and disclosure counsel.

Section 25. Request to County to Levy Tax and Treasurer to Serve as Paying Agent.

The Board of Supervisors of the County and officers of the County are obligated by statute to provide for the levy and collection of property taxes in each year sufficient to pay all principal and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds. The District hereby requests the Board of Supervisors to adopt a resolution providing for an annual levy of taxes upon all taxable property in the District sufficient to redeem the Bonds, and to pay the Conversion Value, redemption premium, if any, and interest and Accreted Value thereon as and when the same become due, the maintenance of such taxes upon the tax rolls by the County Auditor-Controller, and the issuance of the Bonds pursuant to the Act and Section 15140 of the Education Code, and directing the Treasurer of the County to serve as Paying Agent with respect to the Bonds.

Section 26. Resolution to Treasurer.

The Secretary to or Clerk of this Board is hereby directed to provide a certified copy of this Resolution to the Treasurer immediately following its adoption.

Section 27. Effective Date.

This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 5th day of April, 2011.

President of the Board of Education of the Santee
School District

ATTEST:

Clerk of the Board of Education of the
Santee School District

EXHIBIT "A"

ESTIMATED COSTS OF ISSUANCE

<u>Role</u>	<u>Entity</u>	<u>Amount</u>
Bond counsel	Best Best & Krieger LLP	\$ 30,500
Disclosure counsel	Best Best & Krieger LLP	15,500
Financial advisor	Eric Hall & Associates	22,500
Rating agency	Standard & Poor's	9,000
Cost of Issuance Custodian	Wells Fargo	500
Printer of Official Statement	CLS Printing	6,000
Underwriting	Stone & Youngberg LLC	60,000
Preparation of tables for Official Statement	CalMuni	1,200
Contingency	N/A	<u>1,800</u>
Total		\$147,000

EXHIBIT "B"

[Form of Capital Appreciation Bond]

Number UNITED STATES OF AMERICA Maturity Value
R-___ STATE OF CALIFORNIA \$ _____
COUNTY OF SAN DIEGO

SANTEE SCHOOL DISTRICT
2011 GENERAL OBLIGATION BONDS, ELECTION OF 2006, SERIES E
(BANK QUALIFIED)

CAPITAL APPRECIATION BOND

Maturity Date Accretion Rate Dated as of CUSIP NO.
_____, 2011 % _____

Registered Owner: CEDE & CO.

Denominational Amount: _____ DOLLARS

Maturity Value: _____ DOLLARS

The Santee School District (the "District") in San Diego County, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Maturity Value on the Maturity Date, each as stated above, such Maturity Value comprising the Denominational Amount and interest accreted thereon. This bond will not bear current interest but will accrete interest, compounded on each [February 1 and August 1, April 1 and October 1 or April 15 and October 15], commencing on [_____, 201__], at the Accretion Rate specified above to the Maturity Date, assuming that in any such semiannual period the sum of such compounded accreted interest and the Denomination Amount (such sum being herein called the "Accreted Value") increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months. Accreted Value and redemption premium, if any, are payable in lawful money of the United States of America, without deduction for the Paying Agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Paying Agent, initially the Treasurer-Tax Collector of San Diego County. Accreted Value and redemption premium, if any, are payable upon presentation and surrender of this bond at the principal office of the Paying Agent.

This bond is one of an authorization of \$_____ of bonds approved for the purpose of raising money for the purpose authorized by voters of the District at the election to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite 55% vote of the electors of the District cast at an election held on November 7, 2006 (the "Election"), upon the

question of issuing bonds in the amount of \$60,000,000 and the resolution of the Board of Education of the District adopted on April __, 2011 (the "Bond Resolution"). This bond and the issue of which this bond is one are general obligations of the District, payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Section 15250 and 15252.

The bonds of this issue comprise \$_____ Principal Amount of Convertible Capital Appreciation Bonds (each a "Convertible Capital Appreciation Bond") and Capital Appreciation Bonds, of which this bond is a part, in the Denominational Amount of \$_____ and the Maturity Value of \$_____.

This bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the principal office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of Principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 15th business day next preceding either any Bond Payment Date or any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

The Capital Appreciation Bonds [are/are not] subject to redemption prior to their stated maturity dates.

THIS BOND WAS DESIGNATED BY THE DISTRICT AS A "QUALIFIED TAX-EXEMPT OBLIGATION" WITHIN THE MEANING OF SECTION 265(B)(3) OF THE INTERNAL REVENUE CODE OF 1986.

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Capital Appreciation Bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by

law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay Principal and interest when due.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the Santee School District, San Diego County, California, has caused this bond to be executed on behalf of the District and in official capacity by the manual or facsimile signature of the President of the Board of Education of the District, and to be countersigned by the manual or facsimile signature of the Secretary to or Clerk of the Board of Education of the District, and has caused the seal of the District to be affixed hereto, all as of the date stated above.

SANTEE SCHOOL DISTRICT

By: _____
President, Board of Education

COUNTERSIGNED:

Clerk, Board of Education

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This is one of the SANTEE SCHOOL DISTRICT 2011 GENERAL OBLIGATION BONDS, ELECTION OF 2006, SERIES E, described in the within-mentioned Resolution and authenticated and registered on _____.

COUNTY OF SAN DIEGO, San Diego, California,
as Paying Agent/Registrar and Transfer Agent

By _____
Authorized Officer

DTC LEGEND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate 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.

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent/Registrar and Transfer Agent with full power of substitution in the premises.

I.D. Number _____

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

Dated: _____

Signature Guarantee: _____

Notice: Signature must be guaranteed by an eligible guarantor institution.

EXHIBIT "C"

[Form of Convertible Capital Appreciation Bond]

Number UNITED STATES OF AMERICA Maturity Value
R- STATE OF CALIFORNIA \$
COUNTY OF SAN DIEGO

SANTEE SCHOOL DISTRICT
2011 GENERAL OBLIGATION BONDS, ELECTION OF 2006, SERIES E
(BANK QUALIFIED)

CONVERTIBLE CAPITAL APPRECIATION BOND

Table with 5 columns: Maturity Date, Conversion Date, Interest Rate After Accretion Rate, Dated as of, CUSIP NO. Includes a row with a percentage sign and the year 2011.

Registered Owner: CEDE & CO.

Denominational Amount: DOLLARS

Conversion Value: DOLLARS

The Santee School District (the "District") in San Diego County, California (the "County"), for value received, promises to pay to the registered owner identified above or registered assigns, on the maturity date set forth above or upon prior redemption hereof, the accreted value hereof on such date, consisting of the initial principal amount hereof plus interest accreted thereon (in accordance with the Resolution hereinafter defined and as reflected in the Table of Accreted Values hereinafter set forth; provided, that any accreted value determined in accordance with the Resolution shall prevail over any accreted values given in the Table of Accreted Values), commencing on the date hereof, compounded on [February 1 and August 1, April 1 and October 1 or April 15 and October 15] of each year commencing on , 20, assuming in any such semiannual period that such interest accretes in equal daily amounts on the basis of a 360-day year of twelve (12) 30-day months, until the Conversion Date set forth above in lawful money of the United States of America, and from and after the Conversion Date to pay current interest on said accreted value as of the Conversion Date in like lawful money from the interest payment date next preceding the date of authentication of this bond (unless this bond is authenticated as of a date during the period from the Record Date (as defined herein) next preceding any interest payment date to such interest payment date, inclusive, in which event it shall bear interest from such interest payment date, or unless this bond is authenticated on or before the Record Date preceding the first interest payment date following its Conversion Date, in which event it shall bear interest from the Conversion Date) at the interest rate per annum stated above, payable commencing on the

[February 1 or August 1, April 1 or October 1 or April 15 or October 15] following the Conversion Date, and thereafter on [February 1 or August 1, April 1 or October 1 or April 15 or October 15] in each year, until payment of said accreted value.

The Conversion Value is payable to the registered owner hereof upon the surrender hereof at the principal corporate trust office (as defined in the Resolution) of the Treasurer-Tax Collector of the County of San Diego (herein called the "Paying Agent"), the initial paying agent/registrar and transfer agent of the District. The interest hereon is payable to the person whose name appears on the bond registration books of the Paying Agent as the registered owner hereof as of the close of business on the 15th day of the month preceding an interest payment date (the "Record Date"), whether or not such day is a business day, such interest to be paid by check or draft mailed to such registered owner at the owner's address as it appears on such registration books, or at such other address filed with the Paying Agent for that purpose. Upon written request, given no later than the Record Date immediately preceding an interest payment date, of the owner of Convertible Capital Appreciation Bonds (hereinafter defined) aggregating at least \$1,000,000 in accreted value, interest will be paid in immediately available funds (e.g., by wire transfer) to an account maintained in the United States as specified by the owner in such request. So long as Cede & Co. or its registered assigns shall be the registered owner of this bond, payment shall be made in immediately available funds as provided in the Resolution hereinafter described.

This bond is one of an authorization of \$_____ of bonds approved for the purpose of raising money for the purpose authorized by voters of the District at the election to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite 55% vote of the electors of the District cast at an election held on November 7, 2006 (the "Election"), upon the question of issuing bonds in the amount of \$60,000,000 and the resolution of the Board of Education of the District adopted on April __, 2011 (the "Bond Resolution"). This bond and the issue of which this bond is one are general obligations of the District, payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Section 15250 and 15252.

The bonds of this issue comprise Convertible Capital Appreciation Bonds (each a "Convertible Capital Appreciation Bond") of which this bond is a part, in the Denominational Amount of \$_____ and the Conversion Value of \$_____ and Capital Appreciation Bonds, in the Denominational Amount of \$_____ and the Maturity Value of \$_____.

This bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the principal office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of Principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 15th business day next preceding either any Bond Payment Date or any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

The Convertible Capital Appreciation Bonds [are/are not] subject to redemption prior to their stated maturity dates.

THIS BOND WAS DESIGNATED BY THE DISTRICT AS A "QUALIFIED TAX-EXEMPT OBLIGATION" WITHIN THE MEANING OF SECTION 265(B)(3) OF THE INTERNAL REVENUE CODE OF 1986.

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Capital Appreciation Bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay Principal and interest when due.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the Santee School District, San Diego County, California, has caused this bond to be executed on behalf of the District and in official capacity by the manual or facsimile signature of the President of the Board of Education of the District, and to be countersigned by the manual or facsimile signature of the Secretary to or Clerk of the Board of Education of the District, and has caused the seal of the District to be affixed hereto, all as of the date stated above.

SANTEE SCHOOL DISTRICT

By: _____
President, Board of Education

COUNTERSIGNED:

Clerk, Board of Education

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This is one of the SANTEE SCHOOL DISTRICT 2011 GENERAL OBLIGATION BONDS, ELECTION OF 2006, SERIES E, described in the within-mentioned Resolution and authenticated and registered on _____.

COUNTY OF SAN DIEGO, San Diego, California,
as Paying Agent/Registrar and Transfer Agent

By _____
Authorized Officer

DTC LEGEND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate 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.

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent/Registrar and Transfer Agent with full power of substitution in the premises.

I.D. Number

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

Dated: _____

Signature Guarantee: _____

Notice: Signature must be guaranteed by an eligible guarantor institution.

[TABLE OF ACCRETED VALUES]

The **Preliminary Official Statement** and the **Bond Purchase Agreement (Supplement A)** are available for review during the hours of 8:00 a.m. to 4:30 p.m., in the office of Linda Vail, Executive Assistant to the Board of Education, located at 9625 Cuyamaca Street, Santee, CA 92071.

Copies of the **Preliminary Official Statement** and the **Bond Purchase Agreement (Supplement A)** will be available for review during the Board of Education meeting on April 5, 2011 at 7:00 p.m. in the Board Assembly Room located at 9619 Cuyamaca Street, Santee, CA 92071.

If you are unable to review these documents at the location specified above please contact Linda Vail, Executive Assistant to the Board of Education, at (619) 258-2304 to arrange an alternative location or manner in which you may review these documents.

Discussion and/or Action Item F.2.2. Discussion of Long-Term Plan for Woodshop at Hill Creek School

Prepared by Karl Christensen
April 5, 2011

BACKGROUND:

Currently, woodshop is offered as the elective for 7th grade students at Hill Creek School for 3 periods during the school day. The teacher for this elective then teaches science for the other 3 periods. The woodshop is currently housed in a 1,300 square foot classroom with ample storage space for materials.

Previous discussions regarding designs of the Hill Creek School 10 classroom addition contemplated conversion of a 960 square foot classroom to be used for woodshop and construction of an adjoining 489 square foot fenced in covered patio with roll-up door for the larger woodshop equipment and compliance with fire codes and ventilation requirements. Current estimates indicate the added cost for this design would be approximately \$250,000. Since the latest architectural design documents incorporate the classroom and adjoining patio dedicated to woodshop, this item will be reported separately as a bid additive alternate in order to provide the Board with the actual cost.

Modernization will reduce the number of classrooms available at the school until the 10 classroom addition is completed. Staff has reviewed classroom needs with the Principal and a temporary solution was developed for converting the current boiler room to house some of the woodshop equipment. The cost for this is estimated at \$10,000 to \$15,000 for reconfiguring the boiler room space as well as moving, storing and relocating the heavy equipment used in the woodshop. This would require a smaller scale woodshop as not all of the equipment currently being used for woodshop could continue to be used in the 705 square foot space with limited ventilation.

Given the limited resources available for the Capital Improvement Program, Administration brings this item forward for information and to begin the discussion regarding the long-term plan for woodshop at Hill Creek in light of the significant costs for design in the 10 classroom addition. A final decision will not need to be made until the bid is finalized with the additive alternate for the Hill Creek addition and a Guaranteed Maximum Price is presented the first Board meeting in June. This will allow time to research questions and come back to the Board with answers prior to the final decision being made.

RECOMMENDATION:

This is an information only item. Action, if any, is at the discretion of the Board of Education.

This recommendation supports the following District goal:

- Pursue actively the funding and resources to fulfill our mission and maintain fiscal solvency.
- Provide facilities that optimize the learning environment for all students.

FISCAL IMPACT:

The fiscal impact is \$10,000 to \$250,000 from Capital Improvement Program funds, depending upon Board direction.

STUDENT ACHIEVEMENT IMPACT:

This is a fiscal item. All fiscal resources impact student achievement.

Motion:		Second:		Vote:		Agenda Item F.2.2.
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Discussion and/or Action Item F.3.1. Approval of Memorandum of Understanding Between Santee School District and California Partnership for Achieving Student Success (Cal-PASS)

Prepared by Kristin Baranski
April 5, 2011

BACKGROUND:

The California Partnership for Achieving Student Success (Cal-PASS) provides an electronic, web-based partnership among elementary school districts, high school districts, community colleges, and universities for the purpose of sharing academic data among educational institutions. Santee School District had a Memorandum of Understanding (MOU) with Cal-PASS for the past five school years and it is now time to renew the MOU through June 30, 2015.

Santee School District is committed to providing students with the knowledge and skills necessary to support their continued learning in high school and beyond. The ability to collect, track, and analyze student enrollment and achievement data through high school and college is critical to the evaluation and improvement of academic achievement, curriculum, and instructional programs in Santee School District.

As listed in the attached MOU with Cal-PASS, administration recommends data sharing among Santee School District and the following local educational agencies:

- Grossmont High School District
- Grossmont-Cuyamaca Community College District
- California State University, San Marcos
- National University
- Point Loma Nazarene University
- San Diego State University
- University of California, San Diego
- University of Phoenix, San Diego

RECOMMENDATION:

Administration recommends approval of the MOU with Cal-PASS and the data sharing with the local education agencies previously listed.

This recommendation supports the following District goal:

- Assure the highest level of educational achievement for all students.

FISCAL IMPACT:

There is no fiscal impact to the school district. District staff time and communication of student data with the Cal-PASS system provides the partnership with in-kind services in lieu of monetary support.

STUDENT ACHIEVEMENT:

It is critical for the Santee School District to track student enrollment and completion of coursework through the college years in order to analyze and improve academic success for all students.

MEMORANDUM OF UNDERSTANDING
CALIFORNIA PARTNERSHIP FOR ACHIEVING STUDENT SUCCESS

This Memorandum of Understanding, herein referred to as “MOU,” is entered into by and between those school districts, community college districts, colleges, and universities (herein collectively “educational institutions”) who elect to accept its terms pursuant to Section 11 herein.

PREAMBLE

California Partnership for Achieving Student Success (Cal-PASS) collects, analyzes, and shares student data in order to track performance and improve success from elementary school through university. To that end, Cal-PASS will coordinate the process of consortium member educational institutions sharing academic performance data concerning students who have or who are attending their institutions by facilitating the transfer of data from the member educational institutions, ensuring the confidentiality of records and their consistency with FERPA (Family Education Rights and Privacy Act) guidelines, and providing technical assistance to member educational institutions.

The educational institutions who choose to participate in this MOU desire to evaluate and improve their respective educational programs through the analysis of academic performance data concerning students who have or who are now attending a consortium member institution. It is necessary, therefore, for the educational institutions to share student data on a reciprocal basis so that they may evaluate and analyze their respective educational programs.

Cal-PASS is designed to improve transitions and success across educational segments. The educational institution members of Cal-PASS will use Cal-PASS data to develop, implement, and assess interventions to improve instruction. The preferred means for participation is for institutional faculty to engage in the Cal-PASS vertical Professional Learning Councils.

THEREFORE, the educational institutions agree to the following terms of this MOU:

1. Data Sharing

The data shall be provided at least annually consistent with the dates established by Cal-PASS administration. Said data shall be provided in the manner and form as specified by Cal-PASS. The educational institutions shall have access to this data as set forth in the executed

Data Sharing Educational Institutions form. The data shall be used only for conducting studies for the purpose of improving instruction. Any data received pursuant to this Memorandum shall be destroyed when it is no longer needed for the studies and no later than seventeen years from the date the data is first received. Cal-PASS may, from time to time at its discretion, provide student data from its members in an anonymous form to recognized educational research institutions for analysis in research concerning the improvement of instruction.

2. Confidentiality

The educational institutions will maintain the confidentiality of any and all student data exchanged by each as a part of this MOU. The confidentiality requirements under this paragraph shall survive the termination or expiration of this MOU or any subsequent agreement intended to supersede this MOU. To ensure the continued confidentiality and security of the student data processed, stored, or transmitted under this MOU, educational institutions shall establish a system of safeguards that will at minimum include the following:

- a. Procedures and systems that ensure all student records are kept in secured facilities and access to such records is limited to personnel who are authorized to have access to said data under this section of the MOU.
- b. All designated consortium members and staff and faculty at consortium educational institutions involved in the handling, transmittal, and/or processing of data provided under this MOU will be required to execute a confidentiality agreement requiring said personnel to maintain the confidentiality of all student related personally identifiable information.
- c. Procedures and systems that shall require the use of secured passwords to access computer databases used to process, store, or transmit data provided under this MOU.
- d. Procedures and systems, such as good practices for assigning passwords, shall be developed and implemented to maintain the integrity of the systems used to secure computer databases used to process, store, or transmit data provided under this MOU.
- e. Procedures and systems that ensure that all confidential student data processed, stored, and/or transmitted under the provisions of this MOU shall be maintained in a secure manner that prevents the interception, diversion, or other unauthorized access to said data.

- f. The procedures and systems developed and implemented to process, store, or transmit data provided under this MOU shall ensure that any and all disclosures of confidential student data comply with all provisions of the “Family Educational Rights and Privacy Act” and California law relating to the privacy rights of students, such as but not limited to, the Information Practices Act and the California Public Records Act insofar as such laws are applicable to the parties to this MOU.

3. Indemnification

Each educational institution participating in this MOU agrees to defend, indemnify, and hold each other educational institution participating in this MOU, and its officers, employees, and agents harmless from and against any liability, loss, expense (including attorneys’ fees), or claims of injury or damages arising out of the performance of the terms of this MOU but only in proportion to and to the extent such liability, loss, expense, attorneys’ fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of the indemnifying educational institution, and/or its officers, employees or agents.

4. Entire Agreement

This document states the entire agreement between the educational institutions with respect to its subject matter and supersedes any previous and contemporaneous or oral representations, statements, negotiations, or agreements.

5. Execution

Each of the persons signing this MOU on behalf of a party or entity other than a natural person represents that he or she has authority to sign on behalf and to bind such party.

6. Assignment

None of the signatories to this MOU may assign their rights, duties, or obligations under this MOU, either in whole or in part, without the prior written consent of the other signatories to this MOU.

7. Severability

If any provision of this MOU is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this MOU such provision shall be fully severable. This MOU shall remain in full force and effect unaffected by such severance, provided that the severed provision(s) are not material to the overall purpose and operation of this MOU.

8. Waiver

Waiver by any signatory to this MOU of any breach of any provision of this MOU or warranty of representation set forth herein shall not be construed as a waiver of any subsequent breach of the same or any other provision. The failure to exercise any right under this MOU shall not operate as a waiver of such right. All rights and remedies provided for in this MOU are cumulative.

9. Modification and Amendments

This MOU may be amended or modified at any time by mutual agreement of the authorized representatives of the signatories to this MOU. The educational institutions further agree to amend this MOU to the extent amendments are required by an applicable law or policy issued by an appropriate regulatory authority if the amendment does not materially affect the provisions of this MOU. However, if new laws, policies, or regulations applicable to the educational institutions are implemented which materially affect the intent of the provision of this MOU, the authorized representatives of the signatories to this MOU shall meet within a reasonable period of time, e.g. 20 business days from the date of notice of such change of law, policy, or regulations, to confer regarding how and/or if those laws, policies, or regulations will be applied or excepted.

10. Term of this MOU

This MOU shall be in effect for any institution for the period commencing from the effective date established pursuant to Section 11 until June 30, 2015. Any participant (s) listed as a party to this MOU may terminate its participation by delivering written notice of its intent to terminate said participation to Brad C. Phillips, Grossmont-Cuyamaca Community College District. However, termination by any participant(s) listed as a party will have no force or effect on the rights and responsibilities as to the remaining participants.

11. Joinder of Parties

The parties agree that any school district, community college district, WASC accredited public or private four-year college or university located in California or other educational organization whose purpose is to improve student success, may become a party to this MOU by executing a letter addressed to the consortium stating as follows:

Santee Elementary District hereby agrees to enter into the Memorandum of Understanding dated 4/5/2011, and be bound by all of its terms and conditions, effective as of the date of this letter. A copy of the Memorandum of Understanding and a completed Data Sharing Educational Institutions form, signed by an authorized officer of the institution, are attached hereto.

Said letter shall be executed by an authorized officer of the institution.

Signed: _____ **Date:** _____

Print Name: Karl Christensen

Title: Assistant Superintendent

Phone number: 619-258-2300

Email address: kchristensen@santee.k12.ca.us

Designation of Contacts for Cal-PASS

Name of Institution/District: Santee Elementary District

Program Contact: This person is responsible for coordinating the Cal-PASS process at your institution. This is the person who will receive the User ID and Password, which are required to access data and performance reports on the web site. Security is a very high priority, and to that end we will only issue the User ID and Password to the Program Contact, who in turn may identify other authorized users.

Name: Kristin Baranski
Title: Director, Educational Services
Phone Number: 619-258-2351
Email Address: kbaranski@santee.k12.ca.us

Information Technology Contact: This person is responsible for generating and submitting the data files.

Name: Bernard Yeo
Title: Director, Technology
Phone Number: 619-258-2300
Email Address: byeo@santee.k12.ca.us

DATA SHARING EDUCATIONAL INSTITUTIONS
CALIFORNIA PARTNERSHIP FOR ACHIEVING STUDENT SUCCESS
CAL-PASS

In the section below and on the attached pages, please designate the institutions with which you wish to share data.

Return the following three documents:

1. The letter, signed by an authorized officer of the institution, as described in Section 11 of the MEMORANDUM OF UNDERSTANDING (MOU);
2. A copy of the MOU;
3. This DATA SHARING EDUCATIONAL INSTITUTIONS form and this cover, executed by an authorized officer of the institution.

Return documents to:

Brad C. Phillips, Ph.D.

Cal-PASS Executive Director

2236 Encinitas Blvd., Suite G

Encinitas, CA 92024

I certify the information above is correct:

Signed: _____ **Date:** _____

Print Name and Title: Karl Christensen, Assistant Superintendent

Phone Number: 619-258-2300 **Email:** kchristensen@santee.k12.ca.us

Name of Institution: Santee Elementary District

K-12	Community College	University
San Diego Grossmont Union High District Santee Elementary District	Grossmont-Cuyamaca Community College District	California State University, San Marcos National University Point Loma Nazarene University San Diego State University University of California, San Diego University of Phoenix - San Diego

Discussion and/or Action Item F.4.1. Adoption of Resolution No. 1011-21 to Layoff
Classified Non-Management Position

Prepared by Minnie Malin
April 5, 2011

BACKGROUND:

During a recent IEP meeting, it was determined that 1:1 assistance provided by an Instructional Assistant, Special Education II will no longer be required. As a result, several classified employees will be affected by the elimination of this position and may have an option to bump into other positions within the same classification. However, one (1) classified employee will be laid off. The affected employee will receive a 45-day notice of layoff and be placed on a 39-month reemployment list.

Administration brings forward this recommendation at tonight's meeting.

RECOMMENDATION:

Administration supports the following recommendations:

Layoff

- Eliminate one (1) Instructional Assistant, Special Education II position effective June 23, 2011

FISCAL IMPACT:

The total annual savings to the general fund by eliminating one (1) Special Education position will be \$12,335.

STUDENT ACHIEVEMENT IMPACT:

It is the District's intention to provide support for all students.

Motion: _____ Second: _____ Vote: _____

Agenda Item F.4.1.

SANTEE SCHOOL DISTRICT

Resolution No. 1011-21

WHEREAS, when a bona fide reduction or elimination of funds or services occurs within a school district, classified employees shall be subject to reduction of hours for either lack of work or lack of funds;

WHEREAS, the elimination of certain services being performed by the classified staff has resulted in an elimination of work;

WHEREAS, due to lack of funds and/or lack of work, the Board finds that it is in the best interest of this school district that certain services be eliminated and/or reduced in work hours:

Layoff

- Eliminate one (1) Instructional Assistant, Special Education II position effective June 23, 2011

BE IT FURTHER RESOLVED that the Board authorizes the District Superintendent to give notice to the affected classified employees that their position will be eliminated and/or reduced in work hours/year pursuant to applicable provisions of the Education Code of the State of California, and the negotiated agreement with California School Employees Association Article XI, (Layoff, Reemployment, Involuntary Reduction in Hours, and the Impacts and Effects of Such Matters), such notice to be given forty-five (45) days prior to the effective date of reduction/layoff as set forth above.

The foregoing Resolution was passed and adopted at a regular meeting of the Governing Board of the Santee School District on the 5th day of April 2011, by the following vote:

AYES: _____
NOES: _____
ABSENT: _____

Dated 4/5/11

Clerk, Board of Education

Discussion and/or Action Item F.4.2. Leave of Absence Parameters
Prepared by Minnie Malin
April 5, 2011

BACKGROUND:

At a previous Board of Education meeting, Board Member Bartholomew requested an opportunity for the Board to have a discussion about parameters when approving a request for a leave of absence. Minnie Malin, Assistant Superintendent of Human Resources/Pupil Services, is prepared to provide the Board with information on parameters used by other school districts for approving or disapproving leave requests.

RECOMMENDATION:

This item is presented for Board discussion. Any action is at the discretion of the Board.

FISCAL IMPACT:

There is no impact to the general fund as a result of this item.

STUDENT ACHIEVEMENT:

It is the District's intention to provide support for all students.

Motion: _____ Second: _____ Vote: _____

Agenda Item F.4.2.

Discussion and/or Action Item F.4.3. Employee Recognition for Day of the Teacher and Classified School Employees Week

Prepared by Minnie Malin
April 5, 2011

BACKGROUND:

The Board and Executive Council traditionally honor employees each year on the day that teachers are recognized and during Classified School Employee Week with a token of appreciation. Last year, the Board and Executive Council members delivered cookies for all employees with a note of appreciation.

Administration recommends that employees receive a similar acknowledgement of appreciation again this year.

RECOMMENDATION:

Administration recommends that the Board communicate appreciation to employees in the same manner as last year.

FISCAL IMPACT:

Any cost to communicate the Board's appreciation is included in the Board's operating budget.

STUDENT ACHIEVEMENT IMPACT:

The Board wishes to acknowledge and demonstrate their appreciation for the impact that all teachers and classified employees have on increased student achievement.

Motion: _____ Second: _____ Vote: _____

Agenda Item F.4.3.

BOARD POLICIES AND BYLAWS Item G.

Citizens wishing to address the Board about a Board Policies and Bylaws item are requested to submit a Request to Speak card in advance. The Board invites citizens at this time to address the Board about any of the items listed under Board Policies and Bylaw.

Agenda Item G.

Board Policies and Bylaws Item G.1.

First Reading: Board Bylaw 9000
Role of the Board

Prepared by Dr. Pat Shaw
April 5, 2011

BACKGROUND:

On February 23, 2011, the Board of Education held a workshop. During the workshop, Board Members reviewed Board Bylaws 9000 through 9200. It was recommended at that time that the title of Board Bylaw 9000 be revised from “Role of the Board” to “Responsibilities of the Board.” The “roles” of the Board Members and Board Officers are addressed in other Bylaws.

RECOMMENDATION:

This Board Bylaw title revision is presented to the Board in a first reading. No action is requested; however, action is at the discretion of the Board of Education.

FISCAL IMPACT:

There is no fiscal impact to this revision.

Motion: _____ Second: _____ Vote: _____

Agenda Item G.1.

~~ROLE~~ RESPONSIBILITIES OF THE BOARD

The Governing Board is elected by the community to provide leadership and citizen oversight of the district. The Board shall ensure that the district is responsive to the values, beliefs, and priorities of the community. The Board shall work with the Superintendent to fulfill its major roles, which include:

1. Establishing a long-term vision for the district. Setting the direction for the district through a process that involves the community, parents/guardians, students, and staff and is focused on student learning and achievement.
2. Establishing and maintaining a basic organizational structure for the district, including employment of the Superintendent and adoption of policies, curriculum, the budget and the collective bargaining agreement by:
 - a. Employing the Superintendent and setting policy for hiring of other personnel
 - b. Overseeing the development and adoption of policies
 - c. Establishing academic expectations and adopting the curriculum and instructional materials
 - d. Establishing budget priorities and adopting the budget
 - e. Providing safe, adequate facilities that support the district's instructional program
 - f. Setting parameters for negotiations with employee organizations and ratifying collective bargaining agreements.
3. Ensuring accountability to the local community, including personnel, programmatic and fiscal accountability and service as a judicial and appeals body as needed.
4. Providing support to the Superintendent and staff as they carry out the Board's direction by:
 - a. Establishing and adhering to standards of responsible governance
 - b. Making decisions and providing resources that support district priorities and goals
 - c. Upholding Board policies
 - d. Establishing student achievement targets and monitoring successful progress towards meeting those goals

~~ROLE~~ RESPONSIBILITIES OF THE BOARD (continued)

- e. Being knowledgeable about district programs and efforts in order to serve as effective spokespersons.
5. Ensuring accountability to the public for the performance of the district's schools by:
- a. Evaluating the Superintendent and setting policy for the evaluation of other personnel
 - b. Monitoring and evaluating the effectiveness of policies
 - c. Serving as a judicial (hearing) and appeals body in accordance with law, Board policies, and negotiated agreements
 - d. Monitoring student achievement and program effectiveness and requiring program changes as necessary
 - e. Monitoring and adjusting district finances
 - f. Establishing outcomes for the collective bargaining process
6. Providing community leadership and advocacy at the local, state and national levels on behalf of children, district programs and public education in order to build support within the local community and at the state and national levels.

Duties

The Board is authorized to establish and finance any program or activity that is not in conflict with, inconsistent with, or preempted by law.

The Board may delegate any of its duties to the Superintendent or designee but shall be ultimately responsible for the performance of any duties it delegates.

Vision

The Board shall set the direction for the district by adopting a vision statement which defines the district's goals and priorities. The Board shall carry out its vision-setting role by identifying the strengths and needs of the district, developing and adopting a process for framing the vision, soliciting staff and community input as appropriate, ensuring that the adopted vision statement is implemented, and conducting a periodic review of the vision.

~~ROLE~~ RESPONSIBILITIES OF THE BOARD (continued)**Superintendent Employment and Evaluation**

The Board shall be solely responsible for employing the Superintendent and ensuring that he/she is the best match for the district based on needed abilities, traits and level of knowledge. When selecting a new superintendent, the Board shall ensure a smooth transition period; evaluate the district's current and long-term needs; plan and conduct a process for recruitment, screening and selection; and approve the Superintendent's employment contract.

The Board shall regularly evaluate the Superintendent based on an evaluation system and performance objectives established by the Board and Superintendent, as provided for in the Superintendent's contract.

General Hiring and Personnel Accountability

The Board shall adopt wage and salary schedules, and elect or reject employees at the recommendation of the Superintendent or designee. In order to have the best qualified people working at their maximum effectiveness, the Board shall hold the Superintendent responsible for overseeing the district's personnel system, developing effective hiring practices, creating a climate supportive of personnel and providing an effective framework for staff accountability.

Policy Adoption and Monitoring

The Board shall govern the schools by adopting policies that reflect the district's vision and the mandates of law. The Board shall establish a clear policy development process through which it may deliberate on issues, identify priorities, assign responsibilities, identify goals and courses of action, and review policy decisions.

The Board shall also adopt bylaws and protocols that promote cooperation, trust and teamwork among its members, select parameters for the Board's operation as a governing body, and ensure that its meetings proceed efficiently and in compliance with law.

Curriculum Adoption and Program Accountability

While the design and implementation of curriculum is primarily a staff responsibility, the Board's role is to adopt overall educational goals and standards, define the curriculum development process, specify graduation requirements through policy, adopt the developed curriculum, allocate resources to carry out those goals, and ensure compliance with state and federal laws.

To ensure accountability to the community, the Board shall establish measurable benchmarks to assess the effectiveness of the district's educational programs in producing desired student achievement results. Based on these assessments, the Board shall direct the Superintendent or designee to take corrective actions as needed.

~~ROLE~~ RESPONSIBILITIES OF THE BOARD (continued)

Budget, Facilities and Fiscal Accountability

The Board shall adopt a sound, responsible budget that supports district goals and priorities. To guide the Superintendent or designee in development of the budget, the Board shall establish a budget calendar, budget process and spending priorities.

Recognizing that school facilities are a long-term obligation that impacts district budgets, the Board shall also ensure that a plan is in place to address the district's facility needs, including the funding, construction and maintenance of school facilities.

The Board shall approve facility sites, funding sources and architectural and construction contracts.

The Board recognizes that it is accountable to the community for its budget and facilities decisions and for the district's fiscal integrity. The Board shall use accountability systems and processes in order to monitor the district's fiscal health.

The Board shall use a strategic planning process to identify its district program priorities and approve the necessary resources to implement on a priority basis, Board approved strategic plan goals.

Collective Bargaining

The Board is the legal representative of the district in negotiations with employee representatives. In carrying out the collective bargaining process, the Board shall set goals and guidelines for collective bargaining, select the bargaining team, maintain communications throughout the process and approve the negotiated contract.

Judicial and Appeals Body

In addition to establishing complaint procedures that ensure due process and facilitate the satisfactory resolution of issues, the Board may convene to serve as a judicial and appeals body in accordance with law, Board policies and negotiated agreements. The Board may delegate fact-finding or hearing responsibilities in appropriate cases but remains the final decision-maker in these proceedings.

Community Leadership

The Board shall build and maintain community awareness and support by actively involving parents, guardians, business and other community members in the schools and informing them about district programs, policies and issues.

~~ROLE~~ RESPONSIBILITIES OF THE BOARD (continued)

Recognizing that the level of local, state and national support for education impacts the Board's ability to fulfill its responsibilities, the Board shall engage in advocacy on behalf of district schools. The Board shall ensure that the district has the capability to respond to emerging issues and a proactive communications plan for issues that are district priorities.

Legal Reference:

EDUCATION CODE

5304 Duties of governing board (re school district elections)
12400-12405 Authority to participate in federal programs
17565-17592 Board duties re property maintenance and control
33319.5 Implementation of authority of local agencies
35000 District name
35010 Control of district; prescription and enforcement of rules
35020-35046 Officers and agents
35100-35351 Governing boards, especially:
35160-35185 Powers and duties
35291 Rules

Management Resources:

CSBA PUBLICATIONS

Maximizing School Board Governance
Professional Governance Standards, November 2000
School Board Leadership: The Role and Function of California's School Boards, 1996

NATIONAL SCHOOL BOARDS ASSOCIATION PUBLICATIONS

The Key Work of School Boards, 2000

WEB SITES

CSBA: <http://www.csba.org>
CSBA Governance Institute: <http://www.csba.org/gi>
National School Boards Association: <http://www.nsba.org>

Bylaw adopted: February 17, 2009

Bylaw revised: April 5, 2011

Prepared by Dr. Patrick Shaw
April 5, 2011

BACKGROUND:

Board Bylaw 9310, Board Policies, and Education Code 35160.5 require that the Board annually review the Board Policies below. These Board Policies have been reviewed by Administration and are submitted for a first reading.

Policy	Policy Title
BP 1312.1	Complaints Concerning District Employees
BP 4116	Probationary/Permanent Status
BP 4315.1	Certification of Competence in Evaluation and Instructional Methodologies
BP 5116.1	Intradistrict Open Enrollment
BP 6145	Extracurricular and Cocurricular Activities

The listed Board Policies were last reviewed on December 1, 2009.

RECOMMENDATION:

It is recommended that the Board of Education review the Board Policies submitted for a first reading with no recommended revisions. These Board Policies will return for a second reading and request for approval.

FISCAL IMPACT:

There is no fiscal impact as a result of this review.

STUDENT ACHIEVMENT IMPACT:

Effective governance has a positive impact on student achievement.

Motion:		Second:		Vote:		Item G.2
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COMPLAINTS CONCERNING DISTRICT EMPLOYEES

The Governing Board accepts responsibility for providing a means by which the public can hold employees accountable for their actions. The Board desires that complaints be resolved expeditiously without disrupting the educational process.

The Superintendent or designee shall develop regulations which permit the public to submit complaints against district employees in an appropriate way. These regulations shall protect the rights of involved parties. The Board may serve as an appeals body if the complaint is not resolved.

The Board places trust in its employees and desires to support their actions in such a manner that employees are free from unnecessary, spiteful or negative criticism and complaints. Constructive criticism is welcome when it is motivated by a sincere desire to improve the quality of the educational program.

Verbal complaints made to a Board member or at a Board meeting against an employee other than the Superintendent, will be referred to the Superintendent for appropriate consideration and action according to this policy. If a single Board member receives a complaint about the Superintendent, it will be referred to the entire Board. Because the Board sits as the appellate body in the complaint resolution process, any member of the Board who has become involved in a complaint resolution process prior to an appeal to the Board shall declare his/her involvement and not participate as a member of the Board during an appeal hearing.

When public complaints against employees involve accusations of child abuse, the provisions of Board policy and administrative regulation 5141.4 shall be implemented.

The Board shall not prohibit public criticism of the district and its employees.

The Superintendent or designee shall develop regulations which permit the public to submit complaints against district employees in an appropriate way. These regulations shall protect the rights of involved parties. The Board may serve as an appeals body if the complaint is not resolved.

The Board prohibits retaliation against complainants. The Superintendent or designee at his/her discretion may keep a complainant's identity confidential, except to the extent necessary to investigate the complaint. The district will not investigate anonymous complaints.

This Board shall annually review this policy.

Legal Reference: (see next page)

COMPLAINTS CONCERNING DISTRICT EMPLOYEES (continued)

Legal Reference:

EDUCATION CODE

33308.1 *Guidelines on procedure for filing child abuse complaints*

35146 *Closed sessions*

44031 *Personnel file contents and inspection*

44811 *Disruption of public school activities*

44932-44949 *Resignation, dismissal and leaves of absence (rights of employee; procedures to follow)*

48987 *Child abuse guidelines*

GOVERNMENT CODE

54957 *Closed session; complaints re employees*

54957.6 *Closed session; salaries or fringe benefits*

PENAL CODE

273 *Cruelty or unjustifiable punishment of child*

11164-11174.3 *Child Abuse and Neglect Reporting Act*

WELFARE AND INSTITUTIONS CODE

300 *Minors subject to jurisdiction of juvenile court*

PROBATIONARY/PERMANENT STATUS

Permanent status is granted by law to teachers who have satisfactorily passed a period of probationary service. A teacher who has been employed by the district for two (2) consecutive school years and is then rehired for the next succeeding school year shall become a permanent employee at the commencement of the third (3rd) year. On or before March 15 of the employee's second complete consecutive year, the Governing Board shall notify the teacher of its decision to rehire or not to rehire for the next year. If the Board does not give notice on or before March 15, the teacher shall be rehired for the next school year. Permanent personnel may continue in teaching positions if they keep their teaching certificate in force, remain free from communicable diseases, and are not dismissed for reasons specified in the state school law.

Permanent status applies only to teachers holding regular credentials issued by the Commission on Teacher Credentialing.

A person who has achieved permanent status as a certificated employee in another school district may be employed by the Board as a permanent certificated employee.

Interns

A person employed as a district or university intern shall be classified as a probationary employee. Following completion of the internship, if he/she is reelected by the district to serve in a position requiring certification qualifications for the next succeeding school year, he/she shall continue to be classified as a probationary employee during that year. (Education Code 44466, 44885.5)

Legal Reference:

EDUCATION CODE

- 44466 Status of university interns*
- 44850.1 No tenure in administrative or supervisory position*
- 44885.5 Status of district interns*
- 44908 Complete year for probationary employees*
- 44911-44913 Service not computed in eligibility for permanent status*
- 44915 Classification of probationary employees*
- 44917-44921 Status of substitute or temporary employees*
- 44929.20 Continuing contracts (not to exceed four years - ADA under 250)*
- 44929.21 Districts of 250 ADA or more*
- 44929.23 Districts with less than 250 ADA*
- 44929.28 Employment by another district*
- 44930-44988 Resignations, dismissals and leaves of absence, especially:*
- 44948.2 Election to use provisions of Section 44948.3*
- 44948.3 Dismissal of probationary employees*

Policy
adopted: February 18, 1986
reviewed: December 4, 2007
revised: May 5, 2009

SANTEE SCHOOL DISTRICT
Santee, California

**CERTIFICATION OF COMPETENCE IN EVALUATION
AND INSTRUCTIONAL METHODOLOGIES**

The Superintendent shall annually submit to the Governing Board a list of district administrators whose duties include evaluation of certificated personnel. The administrators listed will be presented as competent by the Superintendent in instructional methodologies and in the evaluation of certificated personnel. The Board will certify the competence of personnel recommended by the Superintendent.

Criteria for certification may include but not be limited to the following:

Academic Qualifications

1. Earned Master's Degree or advanced degree of equivalent standard from an accredited college or university.
2. Evidence of university level course work in techniques of supervision, human relations and instructional methodologies.

Experience

1. Demonstration of competence in the evaluation process.
2. Demonstration of competence in instructional methodologies.
3. Completion of at least three (3) years of successful teaching.

Credential

1. Possession of valid California Administrative Credential

Professional Knowledge and Skills

1. Evidence of professional growth program participation.
2. Demonstration of understanding of district-adopted curriculum, policies and practices.
3. Demonstration of skill in instructional observation.
4. Demonstration of skill in techniques and procedures of evaluation of instruction.

This certification is intended to comply with requirements of the Education Code and is intended to be used for no other purpose. This policy shall be reviewed annually by the Board.

Legal Reference: (see next page)

**CERTIFICATION OF COMPETENCE IN EVALUATION
AND INSTRUCTIONAL METHODOLOGIES (continued)**

Legal Reference:

EDUCATION CODE

33039 *Guidelines for teacher evaluation*

44660-44665 *Evaluation and assessment of performance of certificated employees*

44681-44689 *Administrator training and evaluation*

GOVERNMENT CODE

3543.2 *Scope of representation (re evaluation procedures)*

Policy
adopted: June 19, 1984
amended: December 4, 2007
reviewed: May 5, 2009

SANTEE SCHOOL DISTRICT
Santee, California

INTRADISTRICT OPEN ENROLLMENT

The Governing Board desires to provide enrollment options that meet the diverse needs and interests of district students. 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.

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.

The Board shall annually review this policy.

Enrollment Priorities

Priority for attendance outside a student's attendance area shall be given as follows:

1. If a district school receiving Title I funds is identified for program improvement, corrective action, or restructuring, all students enrolled in that school shall be provided an option to transfer to another district school or charter school.
2. If while on school grounds a student becomes the victim of a violent criminal offense, he/she shall be provided an option to transfer to another district school or charter school.
3. If a student attends a school designated by the California Department of Education as "persistently dangerous," he/she shall be provided an option to transfer to another district school or charter school.
4. The Superintendent or designee may approve a student's transfer to a district school that is at capacity and otherwise closed to transfers upon finding that special circumstances exist that might be harmful or dangerous to the student in the current attendance area, including, but not limited to, threats of bodily harm or threats to the emotional stability of the student.

To grant priority under these circumstances, the Superintendent or designee must have received either:

- a. A written statement from a representative of an appropriate state or local agency, such as a law enforcement official, social worker, or a properly licensed or registered professional, such as a psychiatrist, psychologist, or marriage and family therapist
 - b. A court order, including a temporary restraining order and injunction
5. Priority may be given to siblings of students already in attendance in that school.

INTRADISTRICT OPEN ENROLLMENT (continued)

6. Priority may be given to any student whose parent/guardian is assigned to that school as his/her primary place of employment.

For all other applications for enrollment from outside a school's attendance area, 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. A school's capacity shall be calculated in a nonarbitrary manner using student enrollment and available space.

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.

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

Transportation

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

Legal Reference: (see next page)

INTRADISTRICT OPEN ENROLLMENT (continued)

Legal Reference:

EDUCATION CODE

35160.5 District policies; rules and regulations

35291 Rules

35351 Assignment of students to particular schools

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 GUIDANCE

Unsafe School Choice Option, May 2004

Public School Choice, February 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>

EXTRACURRICULAR AND COCURRICULAR ACTIVITIES

The Governing Board recognizes that extracurricular and cocurricular activities enrich the educational and social development and experiences of students. The district shall encourage and support student participation in extracurricular and cocurricular activities without compromising the integrity and purpose of the educational program.

No extracurricular or cocurricular program or activity shall be provided or conducted separately, and no district student's participation in extracurricular and cocurricular activities shall be required or refused, based on the student's sex, gender, sexual orientation, ethnic group identification, race, ancestry, national origin, religion, color, or mental or physical disability. Requirements for participation in extracurricular and cocurricular activities shall be limited to those that are essential to the success of the activity.

Any complaint regarding the district's extracurricular and cocurricular programs or activities shall be filed in accordance with BP/AR 1312.3 - Uniform Complaint Procedures.

No student shall be prohibited from participating in extracurricular and cocurricular activities related to the educational program because of inability to pay fees associated with the activity.

Eligibility Requirements

Junior High social activities and Eighth Grade Excursion Day are subject to academic, effort, and citizenship requirements as specified in AR 6145.

Any decision regarding the eligibility of any child in foster care or a child of a military family for extracurricular or cocurricular activities shall be made by the Superintendent or designee in accordance with Education Code 48850 and 49701.

Student Conduct at Extracurricular/Cocurricular Events

When attending or participating in extracurricular and/or cocurricular activities on or off campus, district students are subject to district policies and regulations relating to student conduct. Students who violate district policies and regulations may be subject to discipline including, but not limited to, suspension, expulsion, transfer to alternative programs, or denial of participation in extracurricular or cocurricular activities in accordance with Board policy and administrative regulation. When appropriate, the Superintendent or designee shall notify local law enforcement.

Supervision

Extracurricular activities shall be under the general supervision of school authorities and certificated employees whenever they are conducted by the district.

The Superintendent or designee shall:

EXTRACURRICULAR AND COCURRICULAR ACTIVITIES (continued)

1. Determine which activities and programs are affected by this policy.
2. Ensure district-wide uniformity.

Annual Policy Review

The Board shall annually review this policy and implementing regulations.

Legal Reference:

EDUCATION CODE

35145 *Public meetings*

35160.5 *District policy rules and regulations; requirements; matters subject to regulation*

35179 *Interscholastic athletics; associations or consortia*

35181 *Students' responsibilities*

48850 *Participation of foster youth in extracurricular activities and interscholastic sports*

48930-48938 *Student organizations*

49700-49704 *Education of children of military families*

CODE OF REGULATIONS, TITLE 5

350 *Fees not permitted*

4900-4965 *Nondiscrimination in elementary and secondary education programs receiving state financial assistance*

5531 *Supervision of extracurricular activities of pupils*

UNITED STATES CODE, TITLE 42

2000h-2-2000h-6 *Title IX, 1972 Education Act Amendments*

COURT DECISIONS

Hartzell v. Connell, (1984) 35 Cal. 3d 899

Management Resources:

CALIFORNIA TASK FORCE REPORT TO THE LEGISLATURE

Compact on Educational Opportunity for Military Children: Preliminary Final Report, March 2009

WEB SITES.

California Association of Directors of Activities: <http://www.cadal.org>

California Department of Education, Educational Options Office: <http://www.cde.ca.gov/ls/pf/mc>

California Department of Education, Foster Youth Services: <http://www.cde.ca.gov/ls/pf/fy/>

BOARD COMMUNICATION AND ORGANIZATIONAL BUSINESS Item H.

Agenda Item H.

CLOSED SESSION Item I.

Citizens wishing to address the Board about a Closed Session item are requested to submit a Request to Speak card in advance. The Board invites citizens at this time to address the Board about any of the items listed under Closed Session

The Board will go into Closed Session to discuss:

- 1. Conference with Labor Negotiator (Govt. Code § 54956.8)**
Purpose: Negotiations
Agency Negotiator: Karl Christensen, Assistant Supt, Business Services
Employee Organizations: Santee Teachers Association
California School Employees Association

- 2. Public Employee Performance Evaluation (Govt. Code § 54957)**
Superintendent

RECONVENE TO PUBLIC SESSION Item J.

ADJOURNMENT Item K.