



**BOARD OF TRUSTEES  
REGULAR BOARD MEETING**

**Board of Trustees**  
Joyce Dalessandro  
Beth Hergesheimer  
Amy Herman  
Maureen "Mo" Muir  
John Salazar

**Superintendent**  
Rick Schmitt

**Union High School District**

**THURSDAY, MARCH 19, 2015  
6:30 PM**

**CARMEL VALLEY MIDDLE SCHOOL, MEDIA CENTER  
3800 MYKONOS LANE, SAN DIEGO, CA. 92024**

*Welcome to the meeting of the San Dieguito Union High School District Board of Trustees.*

**PUBLIC COMMENTS**

If you wish to speak regarding an item on the agenda, please complete a speaker slip located at the sign-in desk and present it to the Secretary to the Board prior to the start of the meeting. When the Board President invites you to the podium, please state your name before making your presentation.

Persons wishing to address the Board on any school-related issue not elsewhere on the agenda are invited to do so under the "Public Comments" item. If you wish to speak under Public Comments, please follow the same directions (above) for speaking to agenda items.

In the interest of time and order, presentations from the public are limited to three (3) minutes per person, per topic. The total time for agenda and non-agenda items shall not exceed twenty (20) minutes. An individual speaker's allotted time may not be increased by a donation of time from others in attendance.

In accordance with the Brown Act, unless an item has been placed on the published agenda, there shall be no action taken. The Board may 1) acknowledge receipt of the information, 2) refer to staff for further study, or 3) refer the matter to the next agenda.

**PUBLIC INSPECTION OF DOCUMENTS**

In compliance with Government Code 54957.5, agenda-related documents that have been distributed to the Board less than 72 hours prior to the Board Meeting will be available for review on the district website, [www.sduhsd.net](http://www.sduhsd.net) and/or at the district office. Please contact the [Office of the Superintendent](#) for more information.

**CONSENT CALENDAR**

All matters listed under Consent are those on which the Board has previously deliberated or which can be classified as routine items of business. An administrative recommendation on each item is contained in the agenda supplements. There will be no separate discussion of these items prior to the time the Board of Trustees votes on the motion unless members of the Board, staff, or public request specific items to be discussed or pulled from the Consent items. To address an item on the consent calendar, please follow the procedure described under *Comments on Agenda Items*.

**CLOSED SESSION**

The Board will meet in Closed Session to consider qualified matters of litigation, employee negotiations, student discipline, employee grievances, personnel qualifications, or real estate negotiations which are timely.

**CELL PHONES / ELECTRONIC DEVICES**

As a courtesy to all meeting attendees, please set cell phones and electronic devices to silent mode and engage in conversations outside the meeting room.

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In compliance with the Americans with Disabilities Act, if you need special assistance, disability-related modifications, or accommodations, including auxiliary aids or services, in order to participate in the public meetings of the District's Governing Board, please contact the [Office of the Superintendent](#). Notification 72 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accommodation and accessibility to this meeting. Upon request, the District shall also make available this agenda and all other public records associated with the meeting in appropriate alternative formats for persons with a disability.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
BOARD OF TRUSTEES  
REGULAR BOARD MEETING**

**AGENDA**

**THURSDAY, MARCH 19, 2015  
6:30 PM**

**CARMEL VALLEY MIDDLE SCHOOL, MEDIA CENTER  
3800 MYKONOS LANE, SAN DIEGO, CA, 92130**

**PRELIMINARY FUNCTIONS ..... (ITEMS 1 – 6)**

- 1. CALL TO ORDER ..... 6:00 PM
  - A. PUBLIC COMMENTS REGARDING CLOSED SESSION ITEMS (2A-C)
- 2. **CLOSED SESSION** ..... **6:01 PM**
  - A. To consider and/or deliberate on student discipline matters. (1 matter)
  - B. To consider personnel issues, pursuant to Government Code Sections 11126 and 54957; limited to consideration of the appointment, employment, evaluation of performance, discipline /release, dismissal of a public employee or to hear *complaints or charges brought against such employee by another person or employee unless the employee requests a public session.*
  - C. To conference with Labor Negotiators, pursuant to Government Code Section 54957.8.  
 Agency Negotiators: Superintendent and Associate Superintendents (3)  
 Employee Organizations: San Dieguito Faculty Association / California School Employees Association

**REGULAR MEETING / OPEN SESSION ..... **6:30 PM****

- 3. RECONVENE REGULAR BOARD MEETING / CALL TO ORDER ..... BOARD PRESIDENT  
\*WELCOME / MEETING PROTOCOL REMARKS
- 4. PLEDGE OF ALLEGIANCE
- 5. REPORT OUT OF CLOSED SESSION / ACTION
  - A. REPORT OUT OF CLOSED SESSION
  - B. STUDENT DISCIPLINE
    - Motion by \_\_\_\_\_, second by \_\_\_\_\_, to approve the stipulated expulsion of Student ID #1208815, for violation of Education Code sections 48900(d) and 48915 (c)(3), during the period March 20, 2015 through March 20, 2016.
    - Roll Call / Board of Trustees only
- 6. APPROVAL OF MINUTES (2) / REGULAR & BOARD WORKSHOP MEETINGS OF MARCH 5, 2015  
 Motion by \_\_\_\_\_, second by \_\_\_\_\_, to approve the Minutes (2) of the March 5, 2015 regular board meeting and board workshop, as shown in the attached supplements.

**NON-ACTION ITEMS ..... (ITEMS 7 - 10)**

- 7. STUDENT UPDATES.....STUDENT BOARD REPRESENTATIVES
- 8. BOARD REPORTS AND UPDATE ..... BOARD OF TRUSTEES
- 9. SUPERINTENDENT’S REPORTS, BRIEFINGS, & LEGISLATIVE UPDATES ... RICK SCHMITT, SUPERINTENDENT
- 10. SCHOOL UPDATE, CARMEL VALLEY MIDDLE SCHOOL ..... CARA DOLNIK, PRINCIPAL

**CONSENT AGENDA ITEMS ..... (ITEMS 11 - 15)**

Upon invitation by the President, anyone who wishes to discuss a Consent Item should come forward to the lectern, state his/her name, and the Consent Item number.

## 11. SUPERINTENDENT

### A. GIFTS AND DONATIONS

Accept the gifts and donations, as shown in the attached supplements.

### B. FIELD TRIP REQUESTS

Accept the field trips, as shown in the attached supplements.

## 12. HUMAN RESOURCES

### A. PERSONNEL REPORTS

Approve matters pertaining to employment of personnel, salaries, leaves of absence, resignations, changes in assignments, extra duty assignments, and consultant services:

1. Certificated and/or Classified Personnel Reports, as shown in the attached supplements.

## 13. EDUCATIONAL SERVICES

### A. APPROVAL/RATIFICATION OF AGREEMENTS

Approve/ratify entering into the following agreements and authorize Christina M. Bennett or Eric R. Dill to execute the agreements:

1. Michael Fenton, dba Reason and Wonder Consulting, to provide an in-service to San Dieguito Union High School District math teachers, on March 24, 2015, in an amount not to exceed \$1,500.00, to be expended from the General Fund/Unrestricted 01-00.

### B. APPROVAL/RATIFICATION OF AMENDMENT TO AGREEMENTS

Approve/ratify amending the following agreements and authorize Christina M. Bennett or Eric R. Dill to execute the agreements:

1. The DBQ Company, adding an additional workshop onto the original agreement, on December 12, 2014, at the rate of \$2,200.00, to be expended from the General Fund/Restricted 01-00.
2. Illuminate Education, Inc., amending the agreement to include 6 days of staff training, during the period July 1, 2014 through June 30, 2017, at the rate of \$1,500.00 per day, to be expended from the General Fund/Unrestricted 01-00.

## 14. PUPIL SERVICES / SPECIAL EDUCATION

### SPECIAL EDUCATION

#### A. APPROVAL/RATIFICATION OF NON-PUBLIC SCHOOL / NON-PUBLIC AGENCY CONTRACTS, INDEPENDENT CONTRACTOR AGREEMENTS, AND/OR MEMORANDUMS OF UNDERSTANDING

Approve entering into the following non-public school / non-public agency master contracts (NPS/NPAs), independent contractor agreements (ICAs), and or memorandums of understanding (MOUs), and authorize Christina M. Bennett or Eric R. Dill to execute all pertinent documents.

1. Dependable Nursing, LLC (ICA), to provide a credentialed school nurse on an as needed basis, during the period January 5, 2015 through July 31, 2015 and then automatically renewing until terminated with 30 day advance written notice, at the rate of \$66.00 per hour, to be expended from the General Fund/Unrestricted 01-00.

#### B. APPROVAL/RATIFICATION OF AMENDMENT TO AGREEMENTS

Approve/ratify amending the following agreements and authorize Christina M. Bennett or Eric R. Dill to execute the agreements:

1. Dependable Nursing, LLC (NPA), amending the rates that were incorrectly provided by the North Coastal Consortium for Special Education (NCCSE), during the period July 1, 2014 through June 30, 2015, at the hourly rates of \$66.00 CRN, \$52.00 RN, and \$40.00 LVN, to be expended from the General Fund/Restricted 01-00.

C. APPROVAL/RATIFICATION OF PARENT SETTLEMENT AND RELEASE AGREEMENTS

Approve/ratify the following Parent Settlement and Release Agreements, to be funded by the General Fund/Restricted 01-00, and authorize the Director of Special Education to execute the agreements:

1. Student ID #2191761415, for reimbursement of educational services, tuition, and attorney fees, up through the period February 27, 2015, in an amount not to exceed \$7,000.00.
2. Student ID #7093672716, for reimbursement of educational services and tuition, during the period July 1, 2014 through July 31, 2015, in an amount not to exceed \$10,591.00.

**PUPIL SERVICES**

D. APPROVAL/RATIFICATION OF AGREEMENTS

(None Submitted)

**15. BUSINESS / PROPOSITION AA**

**BUSINESS**

A. APPROVAL/RATIFICATION OF AGREEMENTS

Approve/ratify entering into the following agreements and authorize Christina M. Bennett, Eric R. Dill, or Rick Schmitt to execute the agreements:

1. Statewide Seating and Grandstands, Inc., to provide bleacher seating rental service for the San Dieguito High School Academy graduation, on June 12, 2015, in the amount of \$1,825.00, to be expended from the General Fund/Unrestricted 01-00.
2. Digital Signal Power Manufacturer, Inc. (DSPM, Inc.), to provide a full service maintenance and service plan for the lighting inverter at San Dieguito High School Academy Performing Arts Center, during the period March 20, 2015 through March 19, 2016, at the rate of \$3,254.00, to be expended from the General Fund/Unrestricted 01-00.
3. The San Diego Zoo Safari Park, to provide a group tour for Oak Crest Middle School students as allowed through the Middle School Workability Grant, on April 21, 2015, for an estimated amount not to exceed \$300.00, to be expended from the General Fund/Restricted 01-00.

B. APPROVAL/RATIFICATION OF AMENDMENT TO AGREEMENTS

Approve/ratify amending the following agreements and authorize Christina M. Bennett or Eric R. Dill to execute the agreements:

1. AT&T California ("AT&T") fka Pacific Bell Telephone Company (d/b/a AT&T California), amending the Ethernet over Fiber agreement B2011-05, to allow migration from existing OPT-E-MAN services to Switched Ethernet (ASE) services and reducing our monthly data charges by over 40% while increasing our available bandwidth by over 250%, during the period March 20, 2015 through June 30, 2016.

C. AWARD/RATIFICATION OF CONTRACTS

(None Submitted)

D. APPROVAL OF CHANGE ORDERS

(None Submitted)

E. ACCEPTANCE OF CONSTRUCTION PROJECTS

(None Submitted)

F. APPROVAL OF BUSINESS REPORTS

Approve the following business reports:



1. Purchase Orders
2. Membership Listing

**PROPOSITION AA**

**G. APPROVAL/RATIFICATION OF AGREEMENTS**

Approve/ratify entering into the following agreements and authorize Christina M. Bennett, Eric R. Dill, or Rick Schmitt to execute the agreements:

1. GeoCon, Inc. to provide geotechnical consultation services for miscellaneous small projects, district-wide, during the period March 20, 2015 through June 30, 2015, in the amount of \$3,000.00 plus reimbursable expenses, to be expended from the fund to which the project is charged.
2. Trace 3, Inc., to provide and install data, wireless and voice equipment for the initial set-up of Earl Warren Middle School Interim Housing, during the period March 20, 2015 through completion, in the amount of \$198,478.08 plus shipping charges, to be expended from Building Fund—Prop 39, Fund 21-39.
3. Olivenhain Municipal Water District, for dedication of the potable and recycled water facilities improvements at the La Costa Valley Site, during the period March 23, 2015 through completion, in the amount of \$14,500.00 plus additional plan check fees as required, to be expended from Building Fund—Prop 39, Fund 21-39

**H. APPROVAL/RATIFICATION OF AMENDMENT TO AGREEMENTS**

Approve/ratify amending the following agreements and authorize Christina M. Bennett or Eric R. Dill to execute the agreements:

1. SVA Architects, Inc., to amend contract CA2014-20 to prepare legal description and plat for Bonita Drive easement associated with SDHSA Interim Housing/Tennis Courts construction, increasing the amount by \$5,690.00 for a new total of \$270,990.00 and to renew the contract term for one year through December 13, 2015, to be expended from Building Fund—Prop 39 Fund 21-39
2. Digital Networks Group, Inc., to amend contract CB2015-17 to provide and install multi-media systems in Building A at Pacific Trails Middle School, increasing the amount by \$7,953.26 for a new total of \$379,577.31, to be expended from Building Fund—Prop 39 Fund 21-39
3. Class Leasing, LLC to amend contract CB2015-12 modifying certain relocatable classrooms for the Earl Warren Middle School Interim Housing Project for compliance with DSA stipulations, increasing the amount by \$75,442.18 for a new total of \$1,067,837.18, to be expended from Building Fund—Prop 39 Fund 21-39
4. ModSpace, to amend contract CA2015-37 increasing the delivery fees for two (2) portable office buildings to be used as temporary Transportation Services Offices, during the interim housing phase of construction at San Dieguito High School Academy, increasing the amount by \$198.72, for a new total of \$14,573.52, to be expended from Building Fund—Prop 39 Fund 21-39.
5. NTD Architecture, to amend contract CA2014-45, assigning Little Diversified Architectural Consulting, Inc. as contractor, per a motion granted by US Bankruptcy Court authorizing such assignment, and to extend the contract term through December 31, 2015, for the remaining amount of \$15,807.37 plus reimbursable expenses, to be expended from Capital Facilities Fund 25-19.

**I. AWARD/RATIFICATION OF CONTRACTS**

(None Submitted)

**J. APPROVAL OF CHANGE ORDERS**

(None Submitted)

K. ACCEPTANCE OF CONSTRUCTION PROJECTS  
(None Submitted)

**ROLL CALL VOTE FOR CONSENT AGENDA..... (ITEMS 11 - 15)**

- Motion by \_\_\_\_\_, second by \_\_\_\_\_, to approve Consent Agenda Items 11-15, as shown in the attached supplements.
- Roll Call:
 

Joyce Dalessandro	Ali Berger, Sunset / North Coast High Schools
Beth Hergesheimer	Courtney Walsh, San Dieguito High School Academy
Amy Herman	Erica Lewis, Torrey Pines High School
Maureen "Mo" Muir	Melanie Farfel, Canyon Crest Academy
John Salazar	Renee Haerle, La Costa Canyon High School

**DISCUSSION / ACTION ITEMS ..... (ITEMS 16 - 20)**

16. ADOPTION OF PROPOSED NEW/REVISED BOARD POLICIES AND/OR ADMINISTRATIVE REGULATIONS (26) / BPs #4000 THROUGH #4112.42/AR-1 / HUMAN RESOURCES
- Motion by \_\_\_\_\_, second by \_\_\_\_\_, to adopt the proposed new/revised board policies and administrative regulations as follows:
- A. BP #4000, CONCEPTS AND ROLES
  - B. BP & EX A #4020, DRUG AND ALCOHOL-FREE WORKPLACE
  - C. BP #4030, NONDISCRIMINATION IN EMPLOYMENT
  - D. AR #4031, COMPLAINTS CONCERNING DISCRIMINATION IN EMPLOYMENT
  - E. AR #4032, REASONABLE ACCOMMODATION
  - F. BP #4033, LACTATION ACCOMMODATION
  - G. BP, AR & EX A #4040, EMPLOYEE USE OF TECHNOLOGY/ACCEPTABLE USE POLICY
  - H. BP #4100, CERTIFICATED PERSONNEL
  - I. BP #4111/4211/4311, RECRUITMENT AND SELECTION
  - J. BP & AR #4111.2, LEGAL STATUS REQUIREMENT
  - K. AR #4112, APPOINTMENT AND CONDITIONS OF EMPLOYMENT
  - L. BP & AR #4112.2, CERTIFICATION/VERIFICATION OF CREDENTIALS
  - M. AR #4112.22, STAFF TEACHING ENGLISH LANGUAGE LEARNERS
  - N. AR #4112.23, SPECIAL EDUCATION STAFF
  - O. BP & AR #4112.24, TEACHER QUALIFICATIONS UNDER NO CHILD LEFT BEHIND ACT
  - P. AR & EX A #4112.3/4212.3/4312, OATH OF AFFIRMATION/FORM
  - Q. AR #4112.4/4212.4/4312.4, HEALTH EXAMINATIONS
  - R. BP & AR #4112.42/4212.42/4312.42, DRUG AND ALCOHOL TESTING FOR SCHOOL BUS DRIVERS
17. ADOPTION OF RESOLUTION / SUPPORT OF SENATE BILL 277 REPEALING THE IMMUNIZATION PERSONAL BELIEF EXEMPTION
- Motion by \_\_\_\_\_, second by \_\_\_\_\_, to adopt the resolution in support of the Senate Bill 277 repealing the immunization personal belief exemption, as shown in the attached supplement.
  - Roll Call
18. ACCEPTANCE OF THE 2013-14 ANNUAL PROPOSITION AA BUILDING FUND AUDIT REPORT
- Motion by \_\_\_\_\_, second by \_\_\_\_\_, to accept the 2013-14 Annual Proposition AA Building Fund Audit Report, as shown in the attached supplement.

19. ADOPTION OF RESOLUTION DEDICATING AN INTEREST IN REAL PROPERTY AND RIGHT-OF-WAY

- PUBLIC HEARING
  - Open Public Hearing
  - Call for Public Comment
  - Close Hearing
- Motion by \_\_\_\_\_, second by \_\_\_\_\_, to adopt the Resolution Conveying an Interest in Real Property Permanent Easement and Right-of-Way to the City of Encinitas for use as public street right-of-way, including the installation, construction, maintenance, repair, replacement, reconstruction and inspection of public utilities, including, but not limited to, electric, gas, telephone, cable television, sewer, water, storm drain, appurtenant facilities, and all structures incidental thereto, at the San Dieguito High School Academy site, as therein described, said property being owned by the San Dieguito Union High School District of San Diego County, California, as shown in the attachment supplements.
- Roll Call

20. ADOPTION OF RESOLUTION OF THE BOARD OF TRUSTEES OF THE SAN DIEGUITO UNION HIGH SCHOOL DISTRICT AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$125,000,000 AGGREGATE PRINCIPAL AMOUNT OF BONDS OF THE SAN DIEGUITO UNION HIGH SCHOOL DISTRICT, BY A NEGOTIATED SALE PURSUANT TO A BOND PURCHASE AGREEMENT, PRESCRIBING THE TERMS OF SALE , APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A PAYING AGENT AGREEMENT AND A CONTINUING DISCLOSURE CERTIFICATE, APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT FOR THE BONDS, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS.

- Motion by \_\_\_\_\_, second by \_\_\_\_\_, to adopt the Resolution of the Board of Trustees of the San Dieguito Union High School District Authorizing the Issuance and Sale of Not to Exceed \$125,000,000 Aggregate Principal Amount of Bonds of the San Dieguito Union High School District, by a Negotiated Sale Pursuant to a Bond Purchase Agreement, Prescribing the Terms of Sale, Approving the Form of and Authorizing the Execution and Delivery of a Bond Purchase Agreement, a Paying Agent Agreement and a Continuing Disclosure Certificate, Approving the Form of and Authorizing the Distribution of an Official Statement for the Bonds, and Authorizing the Execution of Necessary Documents and Certificates and Related Actions, as shown in the attached supplements.
- Roll Call

**INFORMATION ITEMS..... (ITEMS 21 - 30)**

21. AB 86, MIRACOSTA/SDUHSD CONSORTIA UPDATE ..... MANUEL ZAPATA, DIRECTOR  
This item is being submitted as information only.

22. PERSONNEL COMMISSION / CLASSIFIED JOB DESCRIPTION REPORT  
A. TELECOMMUNICATIONS TECHNICIAN  
B. INFORMATION SYSTEMS SUPPORT TECHNICIAN  
This item is being submitted as information only.

23. BUSINESS SERVICES UPDATE..... ERIC DILL, ASSOCIATE SUPERINTENDENT

24. HUMAN RESOURCES UPDATE ..... TORRIE NORTON, ASSOCIATE SUPERINTENDENT

25. EDUCATIONAL SERVICES UPDATE ..... MIKE GROVE, ED.D, ASSOCIATE SUPERINTENDENT

26. PUBLIC COMMENTS

In accordance with the Brown Act, unless an item has been placed on the published agenda, there shall be no action taken. The Board may 1) acknowledge receipt of the information, 2) refer to staff for further study, or 3) refer the matter to the next agenda. (See Board Agenda Cover Sheet)

27. FUTURE AGENDA ITEMS

**28. ADJOURNMENT TO CLOSED SESSION (AS NECESSARY)**

- A. To consider and/or deliberate on student discipline matters. (1 matter)
- B. To consider personnel issues, pursuant to Government Code Sections 11126 and 54957; limited to consideration of the appointment, employment, evaluation of performance, discipline /release, dismissal of a public employee or to hear *complaints or charges brought against such employee by another person or employee unless the employee requests a public session.*
- C. To conference with Labor Negotiators, pursuant to Government Code Section 54957.8.  
Agency Negotiators: Superintendent and Associate Superintendents (3)  
Employee Organizations: San Dieguito Faculty Association / California School Employees Association

**29. REPORT FROM CLOSED SESSION (AS NECESSARY)**

**30. ADJOURNMENT**

*The next regularly scheduled Board Meeting will be held on [Thursday, April 2, 2015, at 6:30 PM](#) in the SDUHSD District Office Board Room 101. The District Office is located at 710 Encinitas Blvd., Encinitas, CA, 92024.*

ITEM 6

Board of Trustees  
Joyce Dalessandro  
Beth Hergesheimer  
Amy Herman  
Maureen "Mo" Muir  
John Salazar

Superintendent  
Rick Schmitt



Union High School District

MINUTES  
OF THE  
SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
BOARD OF TRUSTEES  
REGULAR BOARD MEETING

MARCH 5, 2015

THURSDAY, MARCH 5, 2015  
6:30 PM

DISTRICT OFFICE BOARD ROOM 101  
710 ENCINITAS BLVD., ENCINITAS, CA. 92024

**PRELIMINARY FUNCTIONS..... (ITEMS 1 – 6)**

- 1. CALL TO ORDER..... 6:00 PM  
President Hergesheimer called the meeting to order at 6:00 PM to receive public comments on Closed Session agenda items. No public comments were presented.
- 2. CLOSED SESSION ..... 6:01 PM  
The Board convened to Closed Session at 6:01 PM to discuss the following:
  - A. To consider personnel issues, pursuant to Government Code Sections 11126 and 54957; limited to consideration of the appointment, employment, evaluation of performance, discipline/ release, dismissal of a public employee or to hear complaints or charges brought against such employee by another person or employee unless the employee requests a public session. (2 Issues)
  - B. To conference with Labor Negotiators, pursuant to Government Code Section 54957.8.  
Agency Negotiators: Superintendent and Associate Superintendents (3)  
Employee Organizations: San Dieguito Faculty Association / California School Employees Association

**REGULAR MEETING / OPEN SESSION..... 6:30 PM**

ATTENDANCE

BOARD OF TRUSTEES AND STUDENT BOARD REPRESENTATIVES

Joyce Dalessandro	Courtney Walsh, San Dieguito High School Academy
Beth Hergesheimer	Melanie Farfel, Canyon Crest Academy
Amy Herman	Renee Haerle, La Costa Canyon High School
Maureen "Mo" Muir	Antonia Caicedo (Alternate), Torrey Pines High School
John Salazar	Ali Berger, Sunset Continuation/North Coast Alt. High Schools

DISTRICT ADMINISTRATORS / STAFF

Rick Schmitt, Superintendent  
 Eric Dill, Associate Superintendent, Business  
 Mike Grove, Ed.D., Associate Superintendent, Educational Services  
 Torrie Norton, Associate Superintendent, Human Resources  
 Delores Perley, Chief Financial Officer  
 Adam Camacho, Principal, Earl Warren Middle School  
 Joann Schultz, Executive Assistant to the Superintendent / Recording Secretary

- 3. RECONVENE REGULAR MEETING / CALL TO ORDER ..... (ITEM 3)  
The regular meeting of the Board of Trustees was called to order at 6:31 PM by President Beth Hergesheimer.
- 4. PLEDGE OF ALLEGIANCE ..... (ITEM 4)  
President Hergesheimer led the Pledge of Allegiance.

**ITEM 6**

5. REPORT OUT OF CLOSED SESSION .....(ITEM 5)

The Board met in closed session and the following action was taken regarding Item #2A:

Motion by Ms. Herman, second by Ms. Muir, to approve one settlement agreement with one certificated employee #179-617, effective July 1, 2015, and that the employee accepted the agreement and will be placed on a 39-month rehire list. Ayes: Dalessandro, Hergesheimer, Herman, Muir, Salazar; Noes: None. *Motion unanimously carried.*

6. APPROVAL OF MINUTES / REGULAR MEETING OF FEBRUARY 19, 2015

It was moved by Ms. Dalessandro, seconded by Ms. Muir, to approve the minutes of the February 19, 2015 regular board meeting, as presented. Ayes: Dalessandro, Hergesheimer, Herman, Muir, Salazar; Noes: None. *Motion unanimously carried.*

**NON-ACTION ITEMS .....(ITEMS 7 - 10)**

7. STUDENT UPDATES..... STUDENT BOARD REPRESENTATIVES

Students gave updates on events and activities at their schools.

8. BOARD REPORTS AND UPDATES

All board members attended the board workshop on Facilities / Prop AA held prior to the meeting tonight.

Mr. Salazar along with Ms. Muir and Mr. Schmitt toured the Pacific Trails MS construction site.

Ms. Dalessandro toured the Qualcomm Thinkabit Lab and attended the City of Solana Beach/School District Liaison meeting.

Ms. Herman attended the City of Solana Beach/School District Liaison meeting.

Ms. Muir attended HS Choice Nights at La Costa Canyon HS and San Dieguito HS Academy.

Ms. Hergesheimer also toured the Thinkabit Lab.

9. SUPERINTENDENT’S REPORTS, BRIEFINGS, LEGISLATIVE UPDATES RICK SCHMITT, SUPERINTENDENT

Superintendent Schmitt gave an update on the Qualcomm Thinkabit Lab visit, the next board meeting will be held at Carmel Valley MS, and the MS/HS enrollment process.

10. SCHOOL UPDATE / EARL WARREN MIDDLE SCHOOL..... ADAM CAMACHO, PRINCIPAL

Mr. Camacho shared highlights including student achievement, staff professional learning communities, continuing a school environment where students are connected physically as well as emotionally, interventions and student support process, a revamped school website, and a new flexible Chromebook program. They are in the process of reviewing flexible bell schedule options, providing staff with more professional development and preparing for student testing. Mr. Camacho shared that the students and staff are excited about the upcoming interim campus while the school is under construction from 2015-2017. He also thanked the Board for their support.

*\*PUBLIC COMMENTS* – President Hergesheimer moved Item #26, Public Comments, to be heard after Item #10.

Rebecca Kingsbury commented on her position as Field Hockey Coach at Canyon Crest Academy (CCA).

Rebecca Schmitt, Caty Hanson, Kimberly Carlson, Thomas Normoyle, Doug Rafner, Robert Higuchi, and Lanny Deremer made comments in support of the CCA Field Hockey Coach.

Jennifer Hewitson made comments regarding HS enrollment for students who live close to a school.

**CONSENT ITEMS.....(ITEMS 11 - 15)**

Item 15C1, (Herff Jones/San Diego Graduate Supply) was pulled from the Consent Agenda by Mr. Salazar.

Item 15A4, (Cathedral Catholic High School) was pulled from the Consent Agenda by Ms. Muir.



**ITEM 6**

It was moved by Ms. Herman, seconded by Ms. Dalessandro, that Consent Agenda Items #11-15A3, 15B & 15D-L, be approved, as presented. Ayes: Dalessandro, Hergesheimer, Herman, Muir, Salazar; Noes: None. *Motion unanimously carried.*

\*It was moved by Mr. Salazar, seconded by Ms. Dalessandro, that Consent Agenda Item #15A4, be approved, as presented. Ayes: Dalessandro, Hergesheimer, Herman, Muir, Salazar; Noes: None. *Motion unanimously carried.*

\*It was moved by Mr. Salazar, seconded by Ms. Dalessandro, that Consent Agenda Item #15C1, be approved, as presented. Ayes: Dalessandro, Hergesheimer, Herman, Muir, Salazar; Noes: None. *Motion unanimously carried.*

**11. SUPERINTENDENT**

A. GIFTS AND DONATIONS  
(None Submitted)

B. FIELD TRIP REQUESTS  
(None Submitted)

**12. HUMAN RESOURCES**

A. PERSONNEL REPORTS

Approve matters pertaining to employment of personnel, salaries, leaves of absence, resignations, changes in assignments, extra duty assignments, and consultant services:

1. Certificated and/or Classified Personnel Reports.

B. APPROVAL/RATIFICATION OF AGREEMENTS

Approve/ratify entering into the following agreement and authorize Christina M. Bennett or Eric R. Dill to execute the agreements:

1. The California Commission on Teacher Credentialing (CCTC), to provide a Beginning Teacher Support and Assessment (BTSA) program accreditation site visit for the CCTC to make a final accreditation recommendation to the Committee on Accreditation, during the period March 25-27, 2015, for an amount not to exceed \$1,554.26, to be expended from the General Fund 01-00 and reimbursed by the CCTC upon completion of the site visit.

**13. EDUCATIONAL SERVICES**

A. APPROVAL/RATIFICATION OF AGREEMENTS  
(None Submitted)

B. APPROVAL/RATIFICATION OF AMENDMENT TO AGREEMENTS  
(None Submitted)

**14. PUPIL SERVICES / SPECIAL EDUCATION**

**SPECIAL EDUCATION**

A. APPROVAL/RATIFICATION OF NON-PUBLIC SCHOOL / NON-PUBLIC AGENCY CONTRACTS, INDEPENDENT CONTRACTOR AGREEMENTS, AND/OR MEMORANDUMS OF UNDERSTANDING

Approve/ratify entering into the following non-public school / non-public agency master contracts (NPS/NPAs), independent contractor agreements (ICAs), and or memorandums of understanding (MOUs), and authorize Christina M. Bennett or Eric R. Dill to execute all pertinent documents:

1. Katherine Williams, Ph.D. (ICA), to provide neuropsychological, psychoeducational, and behavior assessments and services, during the period March 5, 2015 through June 30, 2015, at the rates of \$225.00 per hour for testing services and \$275.00 per hour for consultation services, to be expended from the General Fund 01-00.

ITEM 6

2. The San Diego Zoo Safari Park, to provide a group tour for Earl Warren Middle School Workability students, on March 11, 2015, in an amount not to exceed \$580.00, to be expended from the General Fund/Restricted 01-00.

B. APPROVAL/RATIFICATION OF AMENDMENT TO AGREEMENTS

Approve/ratify amending the following agreement and authorize Christina M. Bennett or Eric R. Dill to execute the agreements:

1. Heritage Schools, Inc. (NPS/RTC), adding speech therapy and occupational therapy services with no other changes to the contract, during the period July 1, 2014 through June 30, 2015, at the rates of \$70.00 per hour for speech therapy and \$75.00 per hour for occupational therapy, to be expended from the General Fund/Restricted 01-00.

C. APPROVAL/RATIFICATION OF PARENT SETTLEMENT AND RELEASE AGREEMENTS

(None Submitted)

**PUPIL SERVICES**

D. APPROVAL/RATIFICATION OF AGREEMENTS

(None Submitted)

**15. BUSINESS / PROPOSITION AA**

**BUSINESS**

A. APPROVAL/RATIFICATION OF AGREEMENTS

Approve/ratify entering into the following agreements and authorize Christina M. Bennett, Eric R. Dill, or Rick Schmitt to execute the agreements:

1. Lightspeed Systems, to provide 7,000 software application licenses of Web Filter with Reporting and 12,500 licenses of My Big Campus, during the period March 6, 2015 through March 5, 2016, for a total cost of \$40,500.00, to be expended from the General Fund 01-00.
2. Advanced Toolware, LLC dba Tools4ever, to provide district wide User Management Resource Administrator (UMRA) licenses with training, consulting, maintenance, and support, for a one-time fee of \$22,675.00 and then an annual maintenance fee \$3,300.00 per year, during the period March 6, 2015 through March 5, 2016, and then continuing from year to year unless terminated, to be expended from the General Fund 01-00.
3. LDP Associates, Inc., to provide preventative maintenance visits, parts, labor, 24x7 annual tech support, and on-site service for the San Dieguito Union High School server room back up power supply equipment and air conditioning systems, during the period March 22, 2015 through March 21, 2016, in the amount of \$13,255.00 to be expended from the General Fund 01-00.

*\*Item 15A4 was pulled from Consent Agenda and voted on separately, as shown above.*

4. Cathedral Catholic High School, for the lease of pool facilities for the Canyon Crest Academy girls water polo team, during the period December 1, 2014 through February 28, 2015, in the amount of \$7,000.00, to be expended from the Canyon Crest Academy Foundation.

B. APPROVAL/RATIFICATION OF AMENDMENT TO AGREEMENTS

(None Submitted)

C. AWARD/RATIFICATION OF CONTRACTS

Award/ratify the following contracts and authorize Christina M. Bennett or Eric R. Dill to execute all pertinent documents:

*\*Item 15C1 was pulled from Consent Agenda and voted on separately, as shown above.*

1. Herff Jones / San Diego Graduate Supply, for Cap & Gown Products & Services B2015-05, during the period March 6, 2015 through June 30, 2015, and automatically renewing on July 1 of each year unless either party gives 30 day written notice of its intent to terminate, at no cost to the district.

D. APPROVAL OF CHANGE ORDERS

(None Submitted)

E. ACCEPTANCE OF CONSTRUCTION PROJECTS

(None Submitted)

F. APPROVAL OF BUSINESS REPORTS

Approve the following business reports:

1. Purchase Orders
2. Membership Listing (None Submitted)

**PROPOSITION AA**

G. APPROVAL/RATIFICATION OF AGREEMENTS

Approve/ratify entering into the following agreements and authorize Christina M. Bennett, Eric R. Dill, or Rick Schmitt to execute the agreements:

1. Mira Costa College for rental of tennis courts as temporary housing for San Dieguito High School Academy, during the period September 3, 2014 through October 21, 2014, in an amount not to exceed \$1,500.00, to be expended from Capital Facilities Fund 25-18.
2. Hofman Planning & Engineering to provide continued project management and document preparation for the Coastal Development Permit (CDP) application; and readiness for the future Coastal Commission public hearing on the re-construction of Earl Warren Middle School, in an amount not to exceed \$5,065.00, during the period February 20, 2015 through completion, to be expended from Building Fund—Prop 39 Fund 21-39.
3. Darnel & Associates, Inc., to provide a traffic study and recommendations for traffic signal modifications at the Stevens/Rodolfo intersection to improve the flow of traffic during construction at Earl Warren Middle School in an amount not to exceed \$10,600.00, during the period March 6, 2015 through completion, to be expended from Building Fund—Prop 39 Fund 21-39.

H. APPROVAL/RATIFICATION OF AMENDMENT TO AGREEMENTS

Approve/ratify amending the following agreements and authorize Christina M. Bennett or Eric R. Dill to execute the agreements:

1. URS Corporation to amend contract CB2014-01 providing CEQA services, district wide, increasing the amount of the contract by \$130,000.00 for a new total of \$380,000.00, to be expended from Building Fund—Prop 39 Fund 21-39.

I. AWARD/RATIFICATION OF CONTRACTS

(None Submitted)

J. ADOPTION OF RESOLUTION / COOPERATIVE BID / E&I PUBLIC SOURCING /OAKLAND COUNTY MICHIGAN AMERICAN SAVES PROGRAM

Adopt the resolution authorizing the purchasing, pursuant to cooperative bid and award documents from E&I Public Sourcing/Oakland County Michigan America Saves Program, for the purchase of school furnishings and other products, per the pricing structure, terms and conditions stated in the bid documents, to be expended from the fund to which the purchases are charged, as presented.

- K. APPROVAL OF CHANGE ORDERS  
(None Submitted)
- L. ACCEPTANCE OF CONSTRUCTION PROJECTS  
(None Submitted)

**DISCUSSION / ACTION ITEMS ..... (ITEMS 16 - 20)**

- 16. CALIFORNIA SCHOOL BOARDS ASSOCIATION, DELEGATE ASSEMBLY ELECTION, 2015  
Motion by Ms. Herman, second by Ms. Dalessandro, to vote for up to seven (7) candidates for CSBA Delegate Assembly, 2015, as follows: Twila Godley, Beth Hergesheimer, Janet W. Mulder, Dawn Perfect, Barbara Ryan, Priscilla J. Schreiber, and Julie Union. Ayes: Dalessandro, Hergesheimer, Herman, Muir, Salazar; Noes: None. *Motion unanimously carried.*
- 17. APPROVAL OF CERTIFICATION OF 2014-15 GENERAL FUND / 2<sup>ND</sup> INTERIM BUDGET  
Motion by Ms. Dalessandro, second by Ms. Herman, to approve and certify the 2014-15 2<sup>nd</sup> Interim General Fund Budget and approve the positive certification regarding the District’s ability to meet its financial obligations the remainder of this fiscal year and two subsequent years, and supporting documents as required by AB 2861, Chapter 1150, Statutes of 1986, as presented. Ayes: Dalessandro, Hergesheimer, Herman, Muir, Salazar; Noes: None. *Motion unanimously carried.*
- 18. ADOPTION OF RESOLUTION DEDICATING AN INTEREST IN REAL PROPERTY AND RIGHT-OF-WAY  
*PUBLIC HEARING* - President Hergesheimer opened the public hearing at 8:02 PM. There being no public comments, the hearing was closed at 8:03 PM.  
Motion by Ms. Herman, second by Ms. Dalessandro, to approve adopt the Resolution Conveying an Interest in Real Property Permanent Easement and Right-of-Way to the City of San Diego for the purpose of access to construct, reconstruct, maintain, operate and repair water facilities, including any or all appurtenances thereto, at the Torrey Pines High School site, as therein described, said property being owned by the San Dieguito Union High School District of San Diego County, California, as presented. Ayes: Dalessandro, Hergesheimer, Herman, Muir, Salazar; Noes: None. *Motion unanimously carried.*
- 19. ADOPTION OF RESOLUTION OF INTENTION TO CONVEY PERMANENT EASEMENT AND RIGHT-OF-WAY  
Motion by Ms. Herman, second by Ms. Muir, to adopt the Resolution of Intention to Convey Permanent Easement and Right-Of-Way to the City of Encinitas for use as public street right-of-way, including the installation, construction, maintenance, repair, replacement, reconstruction and inspection of public utilities, including, but not limited to, electric, gas, telephone, cable television, sewer, water, storm drain, appurtenant facilities, and all structures incidental thereto, at the San Dieguito High School Academy site, as presented. Ayes: Dalessandro, Hergesheimer, Herman, Muir, Salazar; Noes: None. *Motion unanimously carried.*
- 20. APPROVAL OF AMENDMENT TO AGREEMENT / SDHSA INTERIM HOUSING/TENNIS COURTS / PROP AA  
Motion by Ms. Dalessandro, second by Ms. Herman, approve amending the contract entered into with Gilbane Building Company, contract CA2014-40 for Phase 2 GMP for construction of interim housing/tennis courts at San Dieguito High School Academy, in the amount of \$2,611,846.00, finalizing the total GMP in the amount of \$5,257,182.73, to be expended from Building Fund—Prop 39 Fund 21-39, as presented. Ayes: Dalessandro, Hergesheimer, Herman, Muir, Salazar; Noes: None. *Motion unanimously carried.*

**INFORMATION ITEMS..... (ITEMS 21 - 30)**

- 21. LA COSTA VALLEY SITE UPDATE ..... ERIC DILL, ASSOCIATE SUPERINTENDENT  
Mr. Dill gave an update on the La Costa Valley site, as presented.  
*PUBLIC COMMENTS:*  
Peter Merz and Lucille Lynch commented on building a swimming pool on the La Costa Valley site. (*Information packet distributed at meeting by Ms. Lynch and available for review at the district office.*)

22. PROPOSED NEW/REVISED BOARD POLICIES AND/OR ADMINISTRATIVE REGULATIONS (26) / BP #4000 THROUGH #4112.42/AR-1 / HUMAN RESOURCES

- A. BP #4000, CONCEPTS AND ROLES
- B. BP & Ex A #4020, DRUG AND ALCOHOL-FREE WORKPLACE
- C. BP #4030, NONDISCRIMINATION IN EMPLOYMENT
- D. AR #4031, COMPLAINTS CONCERNING DISCRIMINATION IN EMPLOYMENT
- E. AR #4032, REASONABLE ACCOMMODATION
- F. BP #4033, LACTATION ACCOMMODATION
- G. BP, AR & Ex A #4040, EMPLOYEE USE OF TECHNOLOGY/ACCEPTABLE USE POLICY
- H. BP #4100, CERTIFICATED PERSONNEL
- I. BP #4111/4211/4311, RECRUITMENT AND SELECTION
- J. BP & AR #4111.2, LEGAL STATUS REQUIREMENT
- K. AR #4112, APPOINTMENT AND CONDITIONS OF EMPLOYMENT
- L. BP & AR #4112.2, CERTIFICATION/VERIFICATION OF CREDENTIALS
- M. AR #4112.22, STAFF TEACHING ENGLISH LANGUAGE LEARNERS
- N. AR #4112.23, SPECIAL EDUCATION STAFF
- O. BP & AR #4112.24, TEACHER QUALIFICATIONS UNDER NO CHILD LEFT BEHIND ACT
- P. AR & Ex A #4112.3/4212.3/4312, OATH OF AFFIRMATION/FORM
- Q. AR #4112.4/4212.4/4312.4, HEALTH EXAMINATIONS
- R. BP & AR #4112.42/4212.42/4312.42, DRUG AND ALCOHOL TESTING FOR SCHOOL BUS DRIVERS

This item was submitted for first read and will be resubmitted for action on March 19, 2015.

23. BUSINESS SERVICES UPDATE ..... ERIC DILL, ASSOCIATE SUPERINTENDENT

Mr. Dill had nothing further to report.

24. HUMAN RESOURCES UPDATE .....TORRIE NORTON, ASSOCIATE SUPERINTENDENT

Ms. Norton had nothing to report.

25. EDUCATIONAL SERVICES UPDATE .....MIKE GROVE, ED.D., ASSOCIATE SUPERINTENDENT

Dr. Grove gave an update on HS Enrollment Public Forums scheduled in the next couple weeks, and that staff is preparing a survey to be sent out to the community. He also gave a brief update on the Fiscal Crisis Management Assistance Team (FCMAT) review of the special education program.

26. PUBLIC COMMENTS

This item was heard after Item #10.

27. FUTURE AGENDA ITEMS – None presented.

28. ADJOURNMENT TO CLOSED SESSION – No closed session was necessary.

29. CLOSED SESSION – Nothing further to report.

30. ADJOURNMENT OF MEETING – The meeting adjourned at 8:35 PM.

\_\_\_\_\_  
John Salazar, Board Clerk

\_\_\_\_\_  
Date

\_\_\_\_\_  
Rick Schmitt, Superintendent

\_\_\_\_\_  
Date

ITEM 6

**Board of Trustees**  
Joyce Dalessandro  
Beth Hergesheimer  
Amy Herman  
Maureen "Mo" Muir  
John Salazar

**Superintendent**  
Rick Schmitt



MINUTES

Union High School District

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
BOARD OF TRUSTEES  
BOARD WORKSHOP

THURSDAY, MARCH 5, 2015  
4:00 PM

DISTRICT OFFICE BOARD ROOM 101  
710 ENCINITAS BLVD., ENCINITAS, CA. 92024

The Governing Board of the San Dieguito Union High School District held a Board Workshop on Thursday, March 5, 2015, at the above location, in the Board Room.

Attendance / Board:

Joyce Dalessandro  
Beth Hergesheimer  
Amy Herman  
Maureen "Mo" Muir  
John Salazar

Attendance / District Management:

Rick Schmitt, Superintendent  
Eric Dill, Associate Superintendent, Business Services  
Torrie Norton, Associate Superintendent, Human Resources  
Michael Grove, Ed.D., Associate Superintendent, Educational Services  
John Addleman, Director, Planning Services  
Russ Thornton, Chief Facilities Officer  
Dan Young, Facilities Construction Planner  
Caroline Roberts, Construction Services Analyst  
Cindy Skeber, Executive Assistant, Business Services  
Joann Schultz, Executive Assistant to the Superintendent / Recording Secretary

1. CALL TO ORDER

President Hergesheimer called the meeting to order at 4:00 PM.

INFORMATION ITEMS

2. FACILITIES / PROP AA



Mr. Thornton gave an update on the current and upcoming Prop AA projects, timelines and the internal coordination schedule for the interim housing.

Mr. Dill reviewed the history of financing.

Mr. Addleman reviewed the Series B-parameters impact on proposed projects by draw (October 2014 and March 2015), the 2015 program financing plan, and looking into the future.

Mr. Dill reviewed the next steps of the bond sale.

Ralph Holmes and Katherine Perkins with Stifel, Nicolaus & Company, Inc., John Palmer and Erin Pham with Orrick, Herrington & Sutcliffe, LLP, Adam Bauer with Fieldman Rolapp & Associates, and Tyler Old with JP Morgan Chase & Co. attended and answered questions.

3. PUBLIC COMMENTS

Steven McDowell commented on premiums and rates on bonds.

4. ADJOURNMENT

The meeting was adjourned at 5:01 PM.

\_\_\_\_\_  
John Salazar, Board Clerk

\_\_\_\_\_  
Date

\_\_\_\_\_  
Rick Schmitt, Superintendent

\_\_\_\_\_  
Date

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** March 11, 2015

**BOARD MEETING DATE:** March 19, 2015

**PREPARED AND  
SUBMITTED BY:** Rick Schmitt, Superintendent

**SUBJECT:** ACCEPTANCE OF GIFTS AND DONATIONS

.....

### EXECUTIVE SUMMARY

The district administration is requesting acceptance of gifts and donations to the district, as shown on the following report.

### RECOMMENDATION:

It is recommended that the Board accept the gifts and donations to the district, as shown on the attached report.

### FUNDING SOURCE:

Not applicable

**GIFTS AND DONATIONS**  
**SDUHSD BOARD MEETING**  
**March 19, 2015**

ITEM 11A

Item #	Donation	Description	Donor	Department	School Site
1	\$400.00	School Supplies	Oak Crest Foundation Inc.	Art	OCMS
2	\$103.75	School supplies	Oak Crest Foundation Inc.	Science	OCMS
3	\$20.00	School Supplies	Oak Crest Foundation Inc.	Health	OCMS
4	\$382.17	School Supplies	Oak Crest Foundation Inc.	Administration	OCMS
5	\$100.00	School Supplies	Arcturus Therapeutics, Inc.	Administration	CVMS
6	\$184.31	School Supplies	Target Take Charge of Education	Administration	CVMS
7	\$1,775.00	School Supplies	San Dieguito Academy Foundation	Various	SDHSA
8	\$1,500.00	School Supplies	Skyus, Co., LTD	World Language	SDHSA
9	\$5,000.00	School Supplies	Yearbook Tech, Inc.	Administration	SDHSA
10	\$20.00	School Supplies	Kelly Casassa	Math	DMS
11	\$80.00	School Supplies	Darryl and Jill Hensley	Science	DMS
12	\$1,524.62	School Supplies	Earl Warren Middle School PTSA	Various	EWMS
13	\$1,923.07	School Supplies	San Dieguito Academy Foundation	Counseling	SDHSA
14	\$758.45	Theater Costs	San Dieguito Academy Foundation	Theater	SDHSA
15	\$1,077.84	School Supplies	SDAF Music Council	Music	SDHSA
16	\$766.24	School Supplies	Target Take Charge of Education	Administration	SDHSA
17					
18					
19					
20					
21					
22					
23					
24					
	<b>\$15,615.45</b>	<b>Monetary Donations</b>			
		<b>*Value of Donated Items</b>			
	<b>\$15,615.45</b>	<b>TOTAL VALUE</b>			

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** March 6, 2015

**BOARD MEETING DATE:** March 19, 2015

**PREPARED BY:** Michael Grove, Ed.D.  
Associate Superintendent of  
Educational Services

**SUBMITTED BY:** Rick Schmitt, Superintendent

**SUBJECT:** Approval / Ratification of Field Trip  
Requests

-----

### EXECUTIVE SUMMARY

The district administration is requesting approval / ratification of out-of-state, overnight, and / or out-of-county field trips, as shown on the attached reports.

### RECOMMENDATION:

It is recommended that the Board approve / ratify the field trips, as shown on the attached supplement.

### FUNDING SOURCE:

As listed on the attached supplement.

**FIELD TRIP REQUESTS**  
**SDUHSD BOARD MEETING**  
**March 19, 2015**

ITEM 11B

Item #	Date	Sponsor, Last Name	First Name	School Team/Club	Total # Students	Total # Chaperones	Event Description / Name of Conference	City	State	Loss of Class Time	\$ Cost
1	03-25-15 - 03-26-15	Stiven	Timothy	CCA Envision Conservatory for the Humanities	13	5	LA Theater Works Gala	Los Angeles	CA	2 Days	CCA Foundation / Parent Donations
2	04-07-15 - 04-09-15	Stiven	Timothy	CCA Envision Conservatory for the Humanities	10	2	MIT INSPIRE Competition	Cambridge	MA	None	CCA Foundation / Parent Donations
3	04-25-15	Stiven	Timothy	CCA Envision Conservatory for the Humanities	5	2	Academic World Quest	Washington	DC	2 Days	CCA Foundation / Parent Donations
4	04-08-15 - 04-12-15	Kingsbury	Rebecca	CCA Girls Lacrosse	18	6	Varsity Girls Lacrosse Trip	Los Angeles	CA	None	CCA Foundation / Parent Donations

\* Dollar amounts are listed only when District/site funds are being spent.  
Other activities are paid for by student fees or ASB funds.

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** March 10, 2015

**BOARD MEETING DATE:** March 19, 2015

**PREPARED BY:** Torrie Norton  
Associate Superintendent/Human Resources

**SUBMITTED BY:** Rick Schmitt  
Superintendent

**SUBJECT:** APPROVAL OF CERTIFICATED and  
CLASSIFIED PERSONNEL

---

### EXECUTIVE SUMMARY

Please find the following Personnel actions attached for Board approval:

#### Certificated

No actions

#### Classified

Change in Assignment  
Resignation  
Dismissal of Probationary Employee

#### RECOMMENDATION:

It is recommended that the Board approve the attached Personnel actions.

#### FUNDING SOURCE:

General Fund



ITEM 12A

PERSONNEL LIST

**CLASSIFIED PERSONNEL**

**Change in Assignment**

1. **Boatner, Patricia**, from Instructional Assistant-SpEd(NS), SR34, 48.75% FTE, La Costa Canyon High School to 75.00% FTE, Diegueno Middle School, effective 03/02/15
2. **Trujillo, Aaron**, from Instructional Assistant-SpEd(NS), SR34, 37.50% FTE, Torrey Pines High School to Instructional Assistant-SpEd(SH), SR36, 48.75% FTE, effective 03/09/15

**Resignation**

1. **Cervantes, Adan**, Instructional Assistant-SpEd(SH), SR36, 81.25% FTE, Torrey Pines High School, effective 03/20/15

**Dismissal of Probationary Employee**

1. **Employee Number 254-607**, Nutrition Services Assistant I, SR25, 31.25% FTE, San Dieguito High School Academy, effective 02/25/15

sj  
3/19/15  
classbdagenda

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** March 10, 2015

**BOARD MEETING DATE:** March 19, 2015

**PREPARED BY:** Jason Vilorio, Ed.D., Executive Director of Educational Services  
Michael Grove, Associate Superintendent of Educational Services

**SUBMITTED BY:** Rick Schmitt  
Superintendent

**SUBJECT:** APPROVAL / RATIFICATION OF PROFESSIONAL SERVICES CONTRACTS/ EDUCATIONAL SERVICES

-----

### EXECUTIVE SUMMARY

The attached Professional Services Report/Educational Services summarizes one contract.

### RECOMMENDATION:

The administration recommends that the Board approve and/or ratify the contract, as shown in the attached Professional Services Report.

### FUNDING SOURCE:

As noted on attached list

ITEM 13A

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**

**EDUCATIONAL SERVICES - PROFESSIONAL SERVICES REPORT**

**Board Meeting Date: 03-19-15**

<b><u>Contract Effective Dates</u></b>	<b><u>Consultant/ Vendor</u></b>	<b><u>Description of Services</u></b>	<b><u>School/ Department Budget</u></b>	<b><u>Fee Not to Exceed</u></b>
03/24/15	Michael Fenton, dba Reason and Wonder Consulting	Provide an in-service to San Dieguito Union High School District math teachers	General Fund / Unrestricted 01-00	\$1,500.00

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** March 11, 2015

**BOARD MEETING DATE:** March 19, 2015

**PREPARED BY:** Jason Vilorio, Ed.D., Executive Director of Educational Services  
Michael Grove, Associate Superintendent of Educational Services

**SUBMITTED BY:** Rick Schmitt  
Superintendent

**SUBJECT:** APPROVAL/RATIFICATION OF AMENDMENT TO AGREEMENTS

-----

### EXECUTIVE SUMMARY

The attached Professional Services Report/Educational Services summarizes two amendments to agreements.

### RECOMMENDATION:

The administration recommends that the Board approve and/or ratify the contracts, as shown in the attached Professional Services Report.

### FUNDING SOURCE:

As noted on attached list

## ITEM 13B

## SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

**EDUCATIONAL SERVICES - AMENDMENT TO AGREEMENTS REPORT****Board Meeting Date: 03-19-15**

<u>Contract Effective Dates</u>	<u>Consultant/ Vendor</u>	<u>Description of Services</u>	<u>School/ Department Budget</u>	<u>Fee Not to Exceed</u>
12/12/14	The DBQ Company	Adding an additional workshop onto the original agreement	General Fund / Restricted 01-00	\$2,200.00
07/01/14 – 06/30/17	Illuminate Education, Inc.	Amending the agreement to include 6 days of staff training	General Fund / Unrestricted 01-00	\$1,500.00 per day

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** March 10, 2015

**BOARD MEETING DATE:** March 19, 2015

**PREPARED BY:** Chuck Adams, Director of Special Education  
Michael Grove, Associate Superintendent,  
Educational Services

**SUBMITTED BY:** Rick Schmitt  
Superintendent

**SUBJECT:** APPROVAL / RATIFICATION OF AGREEMENTS

-----

### EXECUTIVE SUMMARY

The attached Special Education Agreements report summarizes one contract.

### RECOMMENDATION:

The administration recommends that the Board approve and/or ratify the contract as shown on the attached Special Education Agreements report.

### FUNDING SOURCE:

As noted on the attached report.



ITEM 14A

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT BOARD MEETING**

**SPECIAL EDUCATION AGREEMENTS**

**Board Meeting Date: 03-19-15**

<b><u>Contract Effective Dates</u></b>	<b><u>Contractor/Vendor</u></b>	<b><u>Description of Services</u></b>	<b><u>School/ Department Budget</u></b>	<b><u>Fee Not to Exceed</u></b>
01/05/15 – 07/31/15 and then automatically renewing until terminated with 30 day advance written notice	Dependable Nursing, LLC (ICA)	Provide a credentialed school nurse on an as needed basis	General Fund/ Unrestricted 01-00	\$66.00 per hour

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** March 10, 2015

**BOARD MEETING DATE:** March 19, 2015

**PREPARED BY:** Chuck Adams, Director of Special Education  
Michael Grove, Associate Superintendent of Educational Services

**SUBMITTED BY:** Rick Schmitt  
Superintendent

**SUBJECT:** APPROVAL / RATIFICATION OF AMENDMENTS TO AGREEMENTS

-----

### EXECUTIVE SUMMARY

The attached Special Education Amendment to Agreements Report summarizes one amendment to an agreement.

### RECOMMENDATION:

The administration recommends that the Board approve and/or ratify the amendment to the agreement, as shown on the attached Special Education Amendment Report.

### FUNDING SOURCE:

As noted on the attached report.

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT BOARD MEETING

ITEM 14B

SPECIAL EDUCATION – AMENDMENTS TO AGREEMENTS REPORT

Board Meeting Date: 03-19-15

<u>Contract Effective Dates</u>	<u>Contractor/Vendor</u>	<u>Description of Services</u>	<u>School/ Department Budget</u>	<u>Fee Not to Exceed</u>
07/01/14 – 06/30/15	Dependable Nursing, LLC (NPA)	Amending the rates that were incorrectly provided by the North Coastal Consortium for Special Education (NCCSE)	General Fund/ Restricted 01-00	CRN - \$66.00 per hour RN - \$52.00 per hour LVN - \$40.00 per hour

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** March 6, 2015

**BOARD MEETING DATE:** March 19, 2015

**PREPARED BY:** Chuck Adams, Director of Special Education  
Michael Grove, Associate Superintendent,  
Educational Services

**SUBMITTED BY:** Rick Schmitt  
Superintendent

**SUBJECT:** APPROVAL OF PARENT SETTLEMENT  
AND RELEASE AGREEMENT

-----

### EXECUTIVE SUMMARY

The attached Special Education Agreement report for Parent Settlements and Release Agreements summarizes two Settlement Agreements that provides services for a Special Education Student.

### RECOMMENDATION:

The administration recommends that the Board approve and/or ratify the contract as shown on the attached Special Education Agreement report.

### FUNDING SOURCE:

As noted on the attached report.

## SAN DIEGUITO UNION HIGH SCHOOL DISTRICT BOARD MEETING

ITEM 14C

SPECIAL EDUCATION AGREEMENTSBoard Meeting Date: 03/19/15

<u>Student SSID #</u>	<u>Description of Services</u>	<u>Date Executed</u>	<u>Budget #</u>	<u>Amount</u>
2191761415	<b><i>Parent Settlement Agreement</i></b> Reimbursement for educational services, tuition, and attorney fees up to 02/27/15.	02/27/15	General Fund Special Education 01-00	\$7,000.00
7093672716	<b><i>Parent Settlement Agreement</i></b> Reimbursement for educational services and tuition from 07/01/14 – 07/31/15.	03/06/15	General Fund Special Education 01-00	\$10,591.00

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** March 10, 2015

**BOARD MEETING DATE:** March 19, 2015

**PREPARED BY:** Christina M. Bennett, Director of Purchasing/Risk Mgt  
Eric R. Dill, Associate Superintendent/Business

**SUBMITTED BY:** Rick Schmitt  
Superintendent

**SUBJECT:** APPROVAL / RATIFICATION OF  
PROFESSIONAL SERVICES CONTRACTS/  
BUSINESS

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### EXECUTIVE SUMMARY

The attached Professional Services Report/Business summarizes three contracts.

### RECOMMENDATION:

The administration recommends that the Board approve and/or ratify the contracts, as shown in the attached Professional Services Report.

### FUNDING SOURCE:

As noted on attached report.

## ITEM 15A

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT****BUSINESS - PROFESSIONAL SERVICES REPORT****Board Meeting Date: 03-19-15**

<b><u>Contract Effective Dates</u></b>	<b><u>Contractor/ Vendor</u></b>	<b><u>Description of Services</u></b>	<b><u>School/ Department Budget</u></b>	<b><u>Fee Not to Exceed</u></b>
06/12/15	Statewide Seating and Grandstands, Inc.	Provide bleacher seating rental service for the San Dieguito High School Academy graduation	General Fund / Unrestricted 01-00	\$1,825.00
03/20/15 – 03/19/16	Digital Signal Power Manufacturer, Inc. (DSPM, Inc.)	Provide a full service maintenance and service plan for the lighting inverter at San Dieguito High School Academy Performing Arts Center	General Fund / Unrestricted 01-00	\$3,254.00
04/21/15	The San Diego Zoo Safari Park	Provide a group tour for Oak Crest Middle School students as allowed through the Middle School Workability Grant	General Fund / Restricted 01-00	\$300.00

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** March 10, 2015

**BOARD MEETING DATE:** March 19, 2015

**PREPARED BY:** Christina M. Bennett, Director of Purchasing/Risk Mgt  
Eric R. Dill, Associate Superintendent/Business

**SUBMITTED BY:** Rick Schmitt  
Superintendent

**SUBJECT:** APPROVAL / RATIFICATION OF  
AMENDMENTS TO AGREEMENTS

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### EXECUTIVE SUMMARY

The attached Amendment to Agreements Report summarizes one amendment to agreements.

### RECOMMENDATION:

The administration recommends that the Board approve and/or ratify the amendments to agreements, as shown in the attached Amendment Report.

### FUNDING SOURCE:

As noted on attached list



ITEM 15B

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**

**BUSINESS SERVICES - AMENDMENT TO AGREEMENTS REPORT**

**Board Meeting Date: 03-19-15**

<b><u>Contract Effective Dates</u></b>	<b><u>Contractor/ Vendor</u></b>	<b><u>Description of Services</u></b>	<b><u>School/ Department Budget</u></b>	<b><u>Fee Not to Exceed</u></b>
03/20/15 – 06/30/16	AT&T California (“AT&T”) fka Pacific Bell Telephone Company (d/b/a AT&T California)	Amending the Ethernet over Fiber agreement B2011-05, to allow migration from existing OPT-E-MAN services to Switched Ethernet (ASE) services and reducing our monthly data charges by over 40% while increasing our available bandwidth by over 250%	General Fund / Unrestricted 01-00	NA

# San Dieguito Union High School District

## **INFORMATION REGARDING BOARD AGENDA ITEM**

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** March 11, 2015

**BOARD MEETING DATE:** March 19, 2015

**PREPARED BY:** Eric R. Dill  
Associate Superintendent, Business

**SUBMITTED BY:** Rick Schmitt  
Superintendent

**SUBJECT:** APPROVAL OF BUSINESS REPORTS

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### **EXECUTIVE SUMMARY**

Please find the following business reports submitted for your approval:

1. Purchase Orders
2. Membership Listings - High volume of memberships is due to discount offered members attending conference.

### **RECOMMENDATION:**

It is recommended that the Board approve the following business reports: 1) Purchase Orders, and 2) Membership Listings.

### **FUNDING SOURCE:**

Not applicable

## ITEM 15F

## PO Report February 24, 2015 through March 9, 2015

PO NBR	Date	Fund	Vendor	Location	Description	Amount
000000288	2/24/2015	0100	SUNTEX INTERNATIONAL INC	004	Computer Licensing	\$102.00
000000289	2/24/2015	0100	EAGLE SOFTWARE	017	Conference, Workshop, Sem	\$425.00
000000290	2/24/2015	0100	CA ASSOCIATION FOR BILINGUAL EDUCATION	004	Conference, Workshop, Sem	\$4,605.00
000000291	2/24/2015	0100	CA ASSOCIATION FOR BILINGUAL EDUCATION	004	Conference, Workshop, Sem	\$2,380.00
000000292	2/24/2015	0100	CA ASSOCIATION FOR BILINGUAL EDUCATION	004	Conference, Workshop, Sem	\$1,785.00
000000293	2/24/2015	0100	CA ASSOCIATION FOR BILINGUAL EDUCATION	004	Conference, Workshop, Sem	\$1,785.00
000000294	2/24/2015	0100	CA ASSOCIATION FOR BILINGUAL EDUCATION	004	Conference, Workshop, Sem	\$2,255.00
000000295	2/24/2015	0100	DEPENDABLE NURSING, LLC	002	Sub/Other Contr - NPA	\$21,560.00
					Other Contr - N.P.A.	\$25,000.00
000000296	2/24/2015	0100	SSID #9138526481	002	Pay in lieu of Transp	\$524.16
000000297	2/24/2015	0100	CA ASSOCIATION FOR BILINGUAL EDUCATION	015	Dues and Memberships	\$2,340.00
000000299	2/24/2015	0100	CA ASSOCIATION FOR BILINGUAL EDUCATION	015	Dues and Memberships	\$360.00
000000300	2/24/2015	0100	CA ASSOCIATION FOR BILINGUAL EDUCATION	015	Dues and Memberships	\$105.00
000000301	2/24/2015	0100	CA ASSOCIATION FOR BILINGUAL EDUCATION	015	Dues and Memberships	\$360.00
000000302	2/24/2015	0100	PROCURETECH	017	Computer Supplies	\$1,652.28
000000303	2/24/2015	0100	MISSION FEDERAL CREDIT UNION	017	Computer Licensing	\$660.00
000000304	2/24/2015	0100	CA ASSOCIATION FOR BILINGUAL EDUCATION	004	Conference, Workshop, Sem	\$1,880.00
000000305	2/24/2015	0100	OFFICE DEPOT, INC	500	Printing	\$2,667.60
000000306	2/24/2015	0100	CA ASSOCIATION FOR BILINGUAL EDUCATION	004	Conference, Workshop, Sem	\$940.00
000000307	2/25/2015	0100	SAN DIEGO ZOOLOGICAL SOCIETY	002	Fees, Admissions - Tourn	\$580.00
000000308	2/25/2015	0100	HOME DEPOT CREDIT SERVICES	600	Materials and Supplies	\$171.72
000000309	2/25/2015	0100	TREE HOUSE INC	600	Materials and Supplies	\$319.68
000000310	2/25/2015	0100	STAPLES ADVANTAGE	500	Materials and Supplies	\$248.01
000000311	2/25/2015	0100	SAN DIEGO COUNTY OFFICE OF EDUCATION	004	Conference, Workshop, Sem	\$50.00
000000312	2/25/2015	2139	C D W G.COM	007	Equipment	\$3,815.82
000000313	2/25/2015	2519	C D W G.COM	007	Equipment	\$13,160.75
000000315	2/25/2015	2519	C D W G.COM	007	Equipment	\$7,991.38
000000316	2/25/2015	2519	C D W G.COM	007	Equipment	\$2,321.94
000000317	2/25/2015	2519	AREY JONES ED SOLUTIONS	007	Equipment	\$1,264.36
000000318	2/25/2015	0100	MISSION FEDERAL CREDIT UNION	500	Materials and Supplies	\$205.19
000000319	2/25/2015	0100	A+ Educational Centers	004	Prof/Consult/Oper Exp	\$120.00
000000320	2/26/2015	2139	SWRCB	007	New Construction	\$513.00
000000321	2/26/2015	2139	AREY JONES ED SOLUTIONS	007	Equipment	\$60,163.40
000000322	2/26/2015	0100	C D W G.COM	600	Non Capitalized Tech Equipment	\$2,321.91
000000323	2/26/2015	0100	WEST COAST TECHNOLOGY	017	Repairs by Vendor	\$2,700.00
000000324	2/26/2015	0100	COIN EDUCATIONAL PRODUCTS	002	Materials and Supplies	\$173.82
000000325	2/26/2015	0100	AMAZON.COM	002	Books other than textbooks	\$182.54
000000326	2/26/2015	0100	AMAZON.COM	600	Materials and Supplies	\$694.33
000000327	2/26/2015	0100	STAPLES ADVANTAGE	500	Duplicating Supplies	\$320.00
000000328	2/26/2015	0100	SAN DIEGO COUNTY OFFICE OF EDUCATION	004	Conference, Workshop, Sem	\$50.00
000000329	2/26/2015	0100	A C T	600	Materials and Supplies	\$250.00
000000330	2/26/2015	0100	TREE HOUSE INC	500	Materials and Supplies	\$319.68
000000331	2/26/2015	0100	AMAZON.COM	500	Materials and Supplies	\$67.26
000000332	2/26/2015	0100	TREE HOUSE INC	500	Materials and Supplies	\$159.84
000000333	2/26/2015	0100	PIONEER DRAMA SERVICE	500	Materials and Supplies	\$195.80
000000334	2/26/2015	0100	APPERSON	500	Materials and Supplies	\$1,667.95
000000335	2/27/2015	0100	WINSTON SCHOOL OF SAN DIEGO	002	NPS Late Fees	\$1,600.21
000000336	2/27/2015	0100	STEAMCONNECT	500	Conference, Workshop, Sem	\$95.00
000000337	2/27/2015	0100	BANYAN TREE LEARNING CENTER	002	Other Contr - N.P.A.	\$1,080.00
000000338	2/27/2015	0100	URBAN TREE CARE, INC.	012	Other Serv. & Oper. Exp.	\$1,920.00
000000339	2/27/2015	0100	LIGHTNING TECHNOLOGY	017	Computer Supplies	\$888.44
000000340	2/27/2015	0100	DOCUMENT TRACKING SERVICES	004	Computer Licensing	\$2,495.00
000000341	2/27/2015	0100	A 1 GOLF CARS	500	Repairs by Vendor	\$65.00
000000342	2/27/2015	0100	AMAZON.COM	600	Materials and Supplies	\$49.43
000000343	2/27/2015	0100	C.A.S.H.	007	Conference, Workshop, Sem	\$880.00
000000344	2/27/2015	0100	AMAZON.COM	500	Materials and Supplies	\$119.98
000000345	2/27/2015	0100	TREE HOUSE INC	002	Materials and Supplies	\$94.18
000000346	2/27/2015	0100	Attic Guys	012	Repairs by Vendor	\$4,700.00
000000347	2/27/2015	0100	AIR-TEK INC	012	Other Serv. & Oper. Exp.	\$3,522.00
000000349	2/27/2015	0100	DEMCO INC	600	Materials and Supplies	\$141.63
000000350	3/2/2015	0100	MISSION FEDERAL CREDIT UNION	003	Non Capitalized Equip	\$932.72

## ITEM 15F

## PO Report February 24, 2015 through March 9, 2015

PO NBR	Date	Fund	Vendor	Location	Description	Amount
000000351	3/2/2015	0100	COSTCO CARLSBAD	600	Materials and Supplies	\$500.00
000000352	3/2/2015	0100	STAPLES ADVANTAGE	600	Aeries Supplies	\$161.19
000000353	3/2/2015	1100	FAIRBROTHER, SUSAN	019	Materials and Supplies	\$500.00
000000354	3/2/2015	0100	SAN DIEGO CTR FOR VISION CARE	002	Other Contr - N.P.A.	\$2,976.00
000000355	3/2/2015	0100	SAN DIEGO CTR FOR VISION CARE	002	Other Contr - N.P.A.	\$2,075.00
000000356	3/2/2015	0100	SAN DIEGO CTR FOR VISION CARE	002	Other Contr - N.P.A.	\$3,290.00
000000357	3/2/2015	0100	HOUGHTON MIFFLIN HARCOURT PUB.	002	Materials and Supplies	\$1,069.08
000000358	3/2/2015	0100	MRC360 AKA MR COPY	500	Duplicating Supplies	\$500.00
000000359	3/2/2015	2519	SAN DIEGO DAILY TRANSCRIPT	007	Advertising	\$415.80
000000360	3/2/2015	0100	STAPLES ADVANTAGE	500	Materials and Supplies	\$53.33
000000361	3/2/2015	0100	STAPLES ADVANTAGE	500	Materials and Supplies	\$49.84
000000362	3/2/2015	0100	WEST COAST TECHNOLOGY	017	Repairs by Vendor	\$4,460.00
000000363	3/2/2015	0100	AREY JONES ED SOLUTIONS	004	Non Capitalized Tech Equipment	\$1,746.04
000000364	3/2/2015	0100	STAPLES ADVANTAGE	500	Materials and Supplies	\$254.69
000000365	3/2/2015	0100	C D W G.COM	017	Computer Supplies	\$418.93
000000366	3/2/2015	0100	MEDCO SUPPLY CO INC	002	Materials and Supplies	\$86.79
000000367	3/2/2015	2519	D A D ASPHALT	007	New Construction	\$10,355.02
000000368	3/2/2015	0100	MEDCO SUPPLY CO INC	002	Materials and Supplies	\$169.33
000000369	3/2/2015	0100	STAPLES ADVANTAGE	004	Materials and Supplies	\$72.35
000000370	3/3/2015	0100	MISSION JANITORIAL SUPPLIES	012	Equipment	\$11,729.16
000000371	3/3/2015	1100	GINA SAMPLE	019	Materials and Supplies	\$300.00
000000372	3/3/2015	0100	SOUTHWEST SCHOOL/OFFICE SUPPLY	600	Materials and Supplies	\$94.90
000000373	3/3/2015	0100	WENGER CORPORATION	600	Materials and Supplies	\$569.12
000000374	3/3/2015	0100	SSID #9416173285	002	Other Serv. & Oper. Exp.	\$1,265.00
000000375	3/3/2015	0100	AMAZON.COM	500	Materials and Supplies	\$328.99
000000376	3/3/2015	0100	MISSION FEDERAL CREDIT UNION	004	Materials and Supplies	\$381.83
000000377	3/3/2015	0100	MISSION FEDERAL CREDIT UNION	600	Materials and Supplies	\$30.23
000000378	3/3/2015	0100	AMAZON.COM	500	Materials and Supplies	\$280.79
000000379	3/3/2015	0100	UCSD - OFFICE OF CONTRACT AND	022	Prof/Consult/Oper Exp	\$37,180.00
000000380	3/4/2015	0100	REGENTS OF THE UNIV. OF CA.	001	Test Scoring	\$2,268.00
000000381	3/4/2015	0100	TEACHER'S DISCOVERY	600	Materials and Supplies	\$92.44
000000382	3/4/2015	0100	TEACHER'S DISCOVERY	500	Materials and Supplies	\$51.35
000000383	3/4/2015	0100	HOME DEPOT CREDIT SERVICES	018	Materials and Supplies	\$172.26
000000384	3/4/2015	0100	UKRANIAN GIFT SHOP INC	600	Materials and Supplies	\$334.25
000000387	3/4/2015	0100	OFFICE DEPOT, INC	001	Printing	\$2,976.56
000000388	3/4/2015	0100	STAPLES ADVANTAGE	500	Materials and Supplies	\$350.00
000000389	3/4/2015	2519	MODULAR SPACE CORPORATION	007	New Construction	\$14,374.80
000000390	3/4/2015	0100	STAPLES ADVANTAGE	600	Aeries Supplies	\$101.50
000000391	3/4/2015	1300	ENCINITAS UNION SCHOOL DIST	014	Purchases Food	\$10,800.00
000000392	3/4/2015	0100	LIBRARY REPRODUCTION SERVICE	001	Textbooks	\$1,034.00
000000393	3/4/2015	2139	CONSULTING & INSPECTION SVCS	007	New Construction	\$42,595.00
000000394	3/4/2015	2139	FREDRICKS ELECTRIC INC	007	New Construction	\$17,766.00
000000395	3/4/2015	2139	CULVER-NEWLIN INC	007	Improvement	\$3,558.72
000000396	3/4/2015	2139	LSA & ASSOCIATES, INC.	007	New Construction	\$2,238.00
000000397	3/4/2015	2519	BANG, DAVE ASSOCIATES INC	007	Materials and Supplies	\$1,001.65
000000398	3/4/2015	2139	FREDRICKS ELECTRIC INC	007	Improvement	\$6,930.00
000000399	3/4/2015	2139	CULVER-NEWLIN INC	007	Equipment	\$3,156.50
000000400	3/5/2015	0100	New Haven Youth & Family Services	002	Other Contr - N.P.A.	\$14,832.31
000000401	3/5/2015	0100	New Haven Youth & Family Services	002	Other Contr - N.P.A.	\$23,206.49
000000402	3/5/2015	0100	New Haven Youth & Family Services	002	Other Contr - N.P.A.	\$21,706.58
000000403	3/5/2015	0100	New Haven Youth & Family Services	002	Other Contr - N.P.A.	\$20,019.99
000000404	3/5/2015	2139	AREY JONES ED SOLUTIONS	007	Equipment	\$2,528.72
000000406	3/5/2015	2519	AMAZON.COM	007	Equipment	\$604.44
000000407	3/6/2015	0100	KARBONE INC	007	Fees, Admissions - Tourn	\$359.58
000000408	3/6/2015	0100	NCS PEARSON INC	002	Materials and Supplies	\$468.54
000000409	3/6/2015	0100	STAPLES ADVANTAGE	600	Materials and Supplies	\$150.75
000000410	3/6/2015	0100	MUSICK, PEELER & GARRETT LLP	021	Legal Exp. - Business	\$62.50
000000411	3/6/2015	0100	SSID # 3168824837	002	Other Serv. & Oper. Exp.	\$2,500.00
000000412	3/6/2015	0100	MISSION FEDERAL CREDIT UNION	003	Materials and Supplies	\$234.14
000000413	3/6/2015	0100	AMAZON.COM	003	Materials and Supplies	\$145.54
000000414	3/9/2015	0100	WINSTON SCHOOL OF SAN DIEGO	002	Other Contr - NPS	\$20,146.29

## ITEM 15F

## PO Report February 24, 2015 through March 9, 2015

PO NBR	Date	Fund	Vendor	Location	Description	Amount
000000415	3/9/2015	2139	C D W G.COM	007	Equipment	\$26,132.40
000000416	3/9/2015	2139	C D W G.COM	007	Equipment	\$4,643.82
000000417	3/9/2015	0100	CART MART INC	600	Non Capitalized Equip	\$3,834.00
000000418	3/9/2015	2139	AMAZON.COM	007	Equipment	\$1,209.37
000000419	3/9/2015	0100	CA EMBROIDERY	003	Materials and Supplies	\$993.53
				600	Materials and Supplies	\$993.52
000000420	3/9/2015	2139	AMAZON.COM	007	Equipment	\$2,075.18
000000421	3/9/2015	2139	WARD'S MEDIA TECH	007	Equipment	\$8,188.20
000000423	3/9/2015	0100	SAN DIEGO COUNTY OFFICE OF EDUCATION	001	Conference, Workshop, Sem	\$50.00
000000424	3/9/2015	0100	SAN DIEGO COUNTY OFFICE OF EDUCATION	500	Conference, Workshop, Sem	\$50.00
000000425	3/9/2015	0100	STANDARD STATIONERY SUPPLY CO	600	Materials and Supplies	\$58.81
000000426	3/9/2015	2139	CULVER-NEWLIN INC	007	Equipment	\$37,084.60
000000473	2/27/2015	0100	AMAZON.COM	500	Materials and Supplies	\$50.38
00000224A	2/25/2015	0100	SSID #3036418547	002	Mediation Settlements	\$28,560.00
650000	3/6/2015	0100	OFFICE DEPOT, INC	000	Stores	\$531.36
750010	3/2/2015	0100	STATE SUPPLY	012	Non Capitalized Equip	\$4,258.32
750011	3/4/2015	0100	ACORN MEDIA	012	Non Capitalized Equip	\$839.84
Report Total						\$607,631.65

## ITEM 15F

Individual Membership Listings  
For the Period of February 24, 2015 through March 9, 2015

<u>Staff Member Name</u>	<u>Organization Name</u>	<u>Amount</u>
Rick Schmitt	California Association for Bilingual Education	\$90.00
Michael Grove	California Association for Bilingual Education	\$90.00
Jason Vioria	California Association for Bilingual Education	\$90.00
Manuel Zapata	California Association for Bilingual Education	\$90.00
Veronica Cortez	California Association for Bilingual Education	\$35.00
Lorena Hurtado	California Association for Bilingual Education	\$35.00
Maritza Santander	California Association for Bilingual Education	\$35.00
Bjorn Paige	California Association for Bilingual Education	\$90.00
Mark Vanover	California Association for Bilingual Education	\$90.00
Tim Hornig	California Association for Bilingual Education	\$90.00
Jeanne Jones	California Association for Bilingual Education	\$90.00
Tania Kim	California Association for Bilingual Education	\$60.00
Marin Fantino	California Association for Bilingual Education	\$60.00
Shannon Meredith	California Association for Bilingual Education	\$60.00
Michelle Challis-Hall	California Association for Bilingual Education	\$60.00
Joseph Kutney	California Association for Bilingual Education	\$60.00
Jeff Tyler	California Association for Bilingual Education	\$60.00
Sasha Voight	California Association for Bilingual Education	\$60.00
Krista Baldwin	California Association for Bilingual Education	\$60.00
Taylor Lowe	California Association for Bilingual Education	\$60.00



## ITEM 15F

Jeremy Sherman	California Association for Bilingual Education	\$60.00
Thea Chadwick	California Association for Bilingual Education	\$60.00
Erin Charnow	California Association for Bilingual Education	\$60.00
Julie Cuevas	California Association for Bilingual Education	\$60.00
Matt Cunningham	California Association for Bilingual Education	\$60.00
Nicole Housen	California Association for Bilingual Education	\$60.00
David Sills	California Association for Bilingual Education	\$60.00
Alyson Thile	California Association for Bilingual Education	\$60.00
Erika Wanczuk	California Association for Bilingual Education	\$60.00
Kaitlin Wood	California Association for Bilingual Education	\$60.00
Angelica Arellano	California Association for Bilingual Education	\$60.00
Brandon Maze	California Association for Bilingual Education	\$60.00
Mirandah Oliphant	California Association for Bilingual Education	\$60.00
Craig Williams	California Association for Bilingual Education	\$60.00
Laura Bennet	California Association for Bilingual Education	\$60.00
Jocelyn Brommelsiek	California Association for Bilingual Education	\$60.00
Jaime Duck	California Association for Bilingual Education	\$60.00
Tracie Fossum	California Association for Bilingual Education	\$60.00
Kristen Huy	California Association for Bilingual Education	\$60.00
Byrony Kinnear	California Association for Bilingual Education	\$60.00
Jenn McCluan	California Association for Bilingual Education	\$60.00
Leona Mullen	California Association for Bilingual Education	\$60.00
Kristen Cullen	California Association for Bilingual Education	\$60.00

## ITEM 15F

Lisa Hendricks	California Association for Bilingual Education	\$60.00
Melissa Hernandez	California Association for Bilingual Education	\$60.00
Brenda Robinette	California Association for Bilingual Education	\$60.00
Joanne Serrano	California Association for Bilingual Education	\$60.00
Roxzana Sudo	California Association for Bilingual Education	\$60.00
Rosa Velazquez	California Association for Bilingual Education	\$60.00
Guen Butler	California Association for Bilingual Education	Free*
Stacie OrtizDavis	California Association for Bilingual Education	Free*
Angie Groseclose	California Association for Bilingual Education	\$60.00

\* Two Free due to the number of members paid



# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** March 5, 2015

**BOARD MEETING DATE:** March 19, 2015

**PREPARED BY:** John Addleman, Director of Planning Services  
Eric Dill, Assoc. Superintendent, Business

**SUBMITTED BY:** Rick Schmitt, Superintendent

**SUBJECT:** APPROVAL / RATIFICATION OF AGREEMENTS /  
PROPOSITION AA

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### EXECUTIVE SUMMARY

The attached Proposition AA report summarizes 3 agreements.

The first agreement is with GeoCon, Inc. to perform geotechnical consulting services for miscellaneous small projects, district-wide.

The next item is for the award of contract to Trace 3, Inc. to provide data, wireless and voice equipment for the initial set-up of Interim Housing at Earl Warren Middle School. Equipment purchased under this agreement will be transferred to the main campus once construction is complete. The parts, materials, and equipment will be procured pursuant to a Resolution adopted by the Board on February 19, 2009 authorizing contracting via the cooperative bid and award documents from Western State Contracting Alliance (WSCA) Computer Equipment Software, Peripherals & Related Services Contract for the purchase of computer equipment, software, peripherals, & related services.

In a Board Action taken on December 11, 2014, a resolution was passed granting a permanent non-exclusive easement and right-of-way to Olivenhain Municipal Water District ("OMWD") for the water utilities at La Costa Valley. The third agreement submitted for consideration is for the dedication of the potable and recycled water facilities to OMWD under that easement, as part of the construction improvements to the La Costa Valley Site. The cost of the actual improvements, less the plan check fees to OMWD, are included in the Lease/Lease-Back Agreement awarded to Byrom-Davey, Inc. on February 5, 2015

### RECOMMENDATION:

It is recommended that the Board approve and/or ratify the professional services contracts and authorize Christina M. Bennett, Eric R. Dill, or Rick Schmitt to execute the agreements, as noted in the attached supplement.

### FUNDING SOURCE:

Building Fund-Prop 39 Fund 21-39 or to the fund to which the cost is charged

## ITEM 15G

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT****PROPOSITION AA – AGREEMENTS**  
**FACILITIES PLANNING & CONSTRUCTION****Board Meeting Date: 3-19-15**

<u>Contract Effective Dates</u>	<u>Consultant/ Vendor</u>	<u>Description of Services</u>	<u>School/ Department Budget</u>	<u>Fee Not to Exceed</u>
3/20/15 – 6/30/15	GeoCon Inc.	To provide geotechnical consultation services for miscellaneous small projects district-wide.	Fund to which the project is charged	\$3,000.00 Plus reimbursable expenses
3/20/15 – Completion	Trace 3, Inc.	To provide and install data, wireless and voice equipment for initial set-up of Earl Warren Middle School Interim Housing	Building Fund— Prop 39 Fund 21-39	\$198,478.08 Plus Shipping Costs
3/23/15 – Completion	Olivenhain Municipal Water District	For dedication of the potable and recycled water facilities to Olivenhain Municipal Water District as part of the improvements at the La Costa Valley Site.	Building Fund— Prop 39 Fund 21-39	\$14,500.00 Plus Additional Plan Check Fees As Required

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** March 3, 2015

**BOARD MEETING DATE:** March 19, 2015

**PREPARED BY:** John Addleman, Director of Planning Services  
Eric Dill, Assoc. Superintendent, Business

**SUBMITTED BY:** Rick Schmitt, Superintendent

**SUBJECT:** APPROVAL / RATIFICATION OF AMENDMENTS  
TO PROFESSIONAL SERVICES CONTRACTS /  
PROPOSITION AA

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### EXECUTIVE SUMMARY

The attached Professional Services Report/Proposition AA summarizes amendments to five existing contracts.

SVA Architects, Inc. is the architect of record for San Dieguito High School Academy. We are seeking to amend contract CA2014-20 to authorize preparation of the legal description and plat documentation required for the Bonita Drive easement for construction of the Interim Housing/Tennis Courts project.

The next amendment, for Digital Networks Group, Inc. provides for the installation of multi-media systems in the A Building of Pacific Trails Middle School.

The third amendment is for Class Leasing, LLC. In an action taken on December 11, 2014, the Board authorized entering into a lease for (37) relocatable classroom buildings for the Earl Warren Middle School interim campus. This amendment allows for certain modifications to the relocatable classroom buildings as called for by DSA and includes extending ramps on (5) buildings, adding the blocking and bracing necessary to accommodate lockers in P.E. building, relocating a door in the administration building, and increasing interior/exterior wall ratings on (3) classrooms.

The fourth amendment is for ModSpace and revises the cost of delivery for the (2) portable office buildings to be utilized as temporary Transportation Services Department offices at La Costa Canyon High School during the interim housing phase of construction at San Dieguito High School Academy as approved February 5, 2015.

## ITEM 15H

The final amendment pertains to NTD Architecture (“NTD”). In an action taken on May 1, 2014 and amended on October 2, 2014, the Board authorized entering into an architectural services agreement with NTD for the purposes of DSA Close-out Certification for various construction projects, district-wide. NTD filed for Chapter 11 Bankruptcy (Case No. 2:14-bk-16883-BR), and in a document recorded by the US Bankruptcy Court, Central District of California—Los Angeles Division dated December 23, 2014, the sale of NTD’s assets free and clear of liens to Little Diversified Architectural Consulting (“Little”) was approved. This amendment allows for re-issuing CA2014-15 to Little, for the funds remaining under the contract, and extending the original term of the contract through December 31, 2015.

### **RECOMMENDATION:**

It is recommended that the Board approves and/or ratifies the amendments to professional services contracts, and authorize Christina M. Bennett, Eric R. Dill, or Rick Schmitt to execute the agreements, as noted in the attached supplement.

### **FUNDING SOURCE:**

Building Fund-Prop 39 Fund 21-39, Capital Facilities Fund 25-19

## ITEM 15H

## SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

**PROPOSITION AA – AMENDMENTS**  
**FACILITIES PLANNING & CONSTRUCTION****Board Meeting Date: 03-19-15**

<u>Contract Effective Dates</u>	<u>Consultant/ Vendor</u>	<u>Description of Services</u>	<u>School/ Department Budget</u>	<u>Fee Not to Exceed</u>
12/13/13 – 12/13/15	SVA Architects, Inc.	Amend contract CA2014-20 to prepare legal description and plat for Bonita Drive easement associated with SDHSA Interim Housing/Tennis Courts construction, and to renew the contract term for one year.	Building Fund-- Prop 39 Fund 21-39	Increasing amount by \$5,690.00 for a new total of \$270,990.00
3/15/15 – 3/31/16	Digital Networks Group, Inc.	Amend contract CB2015-17 to provide and install multi-media systems in Building A at Pacific Trails Middle School.	Building Fund-- Prop 39 Fund 21-39	Increasing amount by \$7,953.26 for a new total of \$379,577.31
12/11/14 – 6/11/17	Class Leasing, LLC	Amend contract CB2015-12 modifying certain relocatable classrooms for the Earl Warren Middle School Interim Housing Project for compliance with DSA stipulations.	Building Fund-- Prop 39 Fund 21-39	Increasing amount by \$75,422.18 for a new total of \$1,067,837.18
2/9/15 – 2/8/17	ModSpace	Amend contract CA2015-37 for lease of temporary office buildings for Transportation Services Dept. at La Costa Canyon High School, increasing the amount of the delivery fee.	Building Fund-- Prop 39 Fund 21-39	Increasing amount by \$198.72 for a new total of \$14,573.52
5/1/14 – 12/31/15	NTD Architecture	Amend contract CA2014-45 assigning Little Diversified Architectural Consulting, Inc., as contractor, per a motion granted by US Bankruptcy Court authorizing such assignment and extend the contract term from 2/1/15 through 12/31/15	Capital Facilities Fund 25-19	\$15,807.37 plus reimbursable expenses

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** March 10, 2015

**BOARD MEETING DATE:** March 19, 2015

**PREPARED BY:** Torrie Norton  
Associate Superintendent/Human Resources

**SUBMITTED BY:** Rick Schmitt  
Superintendent

**SUBJECT:** **ADOPTION OF NEW/REVISED BOARD POLICIES AND/OR ADMINISTRATIVE REGULATIONS / BP's #4000 through #4112.42/AR-1 / Human Resources**

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### EXECUTIVE SUMMARY

The existing San Dieguito Union High School District 4000 Series (Personnel) board policies are not aligned to the California School Boards Association (CSBA) board policies by either board policy numbers or content.

In an effort to continually update our board policies on a quarterly basis, the existing SDUHSD board policies must be deleted and the CSBA policies will need to be revised and adopted to meet our District practices. In order to streamline the process, staff will submit the proposed CSBA board policies in small batches over the next several months for Board action. After all policies have been adopted, a recommendation to delete the current SDUHSD board policies will be submitted and the new policies will be posted on the District website.

This Executive Summary includes a brief description of the proposed/new board policies starting with BP's #4000 through #4112.42/AR-1 presented for adoption. The attached two (2) lists include the current SDUHSD Board Policies by number and title, and the CSBA board policies by number and title.

This item was presented for first read on March 5, 2015, and is being resubmitted for board action.

### RECOMMENDATION:

It is recommended that the Board adopt the proposed new/revised board policies and administrative regulations as follows:

ITEM 16

- A. BP #4000, CONCEPTS AND ROLES
- B. BP & Ex A #4020, DRUG AND ALCOHOL-FREE WORKPLACE
- C. BP #4030, NONDISCRIMINATION IN EMPLOYMENT
- D. AR #4031, COMPLAINTS CONCERNING DISCRIMINATION IN EMPLOYMENT
- E. AR #4032, REASONABLE ACCOMMODATION
- F. BP #4033, LACTATION ACCOMMODATION
- G. BP, AR & Ex A #4040, EMPLOYEE USE OF TECHNOLOGY/ACCEPTABLE USE POLICY
- H. BP #4100, CERTIFICATED PERSONNEL
- I. BP #4111/4211/4311, RECRUITMENT AND SELECTION
- J. BP & AR #4111.2, LEGAL STATUS REQUIREMENT
- K. AR #4112, APPOINTMENT AND CONDITIONS OF EMPLOYMENT
- L. BP & AR #4112.2, CERTIFICATION/VERIFICATION OF CREDENTIALS
- M. AR #4112.22, STAFF TEACHING ENGLISH LANGUAGE LEARNERS
- N. AR #4112.23, SPECIAL EDUCATION STAFF
- O. BP & AR #4112.24, TEACHER QUALIFICATIONS UNDER NO CHILD LEFT BEHIND ACT
- P. AR & Ex A #4112.3/4212.3/4312, OATH OF AFFIRMATION/FORM
- Q. AR #4112.4/4212.4/4312.4, HEALTH EXAMINATIONS
- R. BP & AR #4112.42/4212.42/4312.42, DRUG AND ALCOHOL TESTING FOR SCHOOL BUS DRIVERS

Attachments

**Proposed CSBA Personnel Policies BP's #4000 through #4112.42/AR-1**

(March 19, 2015 Board Meeting)

**BP 4000: Concepts and Roles**

The role of the Governing Board with the District's personnel system

**BP 4020: Drug and Alcohol-Free Workplace**

The maintenance of a drug and alcohol-free workplace

**BP 4020 Exhibit A: Drug-Free Workplace Form**

**BP 4030: Nondiscrimination in Employment**

Prohibited discrimination, harassment, and retaliation

**AR 4031: Complaints Concerning Discrimination in Employment**

Complaint procedures for employees alleging discrimination or harassment

**AR 4032: Reasonable Accommodation**

The District will provide reasonable accommodations for job applicants and qualified employees

**BP 4033: Lactation Accommodation**

The District will provide a private location and break time for mothers' breastfeeding infants

**BP 4040: Employee Use of Technology**

The District expects all employees to learn to use available technological resources that will assist them in the performance of their job responsibilities. Employees shall be required to sign the District's Acceptable Use Agreement.

**4040/AR-1: Employee Use of Technology**

Employees are authorized to use District equipment in accordance with Board Policy 4040.

**4040/AR-1 Exhibit A: Employee Acceptable Use Policy Form**

**BP 4100: Certificated Personnel**

The District shall ensure that the duties, responsibilities, and Districts' expectations for certificated positions are clearly defined and communicated to staff.

**BP 4111; 4211; 4311: Recruitment and Selection**

The District shall develop fair, open and transparent recruitment and selection processes and procedures.



**BP 4111.2; 4211.2; 4311.2: Legal Status Requirement**

The District shall ensure that we employ only individuals who are lawfully authorized to work in the United States.

**4111.2/AR-1; 4211.2/AR-1; 4311.2/AR-1: Legal Status Requirement**

**AR 4112; AR 4212: Appointment and Conditions of Employment**

Requirements for hiring certificated staff

**BP 4112.2: Certification**

The procedures for hiring staff based on the unavailability of credentialed staff

**4112.2/AR-1: Certification - Verification of Credentials**

The District shall verify that each employee in a position requiring certification possess a valid certification document issued by the California Commission on Teacher Credentialing.

**AR 4112.22: Staff Teaching English Language Learners**

The District shall ensure that any teacher with one or more English learners in his/her class shall possess an English Learner Authorization issued by the Commission on Teacher Credentialing authorizing ELD and/or SDAIE.

**AR 4112.23: Special Education Staff**

The District shall ensure that teachers assigned to serve students with disabilities shall possess an appropriate credential or other authorization that specifically authorizes him/her to teach students with that primary disability.

**BP 4112.24: Teacher Qualifications Under the No Child Left Behind Act**

All teachers employed to teach core academic subjects shall be "highly qualified" as defined by Federal law and the State Board of Education.

**4112.24/AR-1: Teacher Qualifications Under the No Child Left Behind Act**

The method and process to determine a teacher's subject matter competence under the California Department of Education HOUSSE system

**AR 4112.3; AR 4212.3; AR 4312.3: Oath or Affirmation**

All District employees are declared by law to be disaster service workers and shall take the oath required for disaster service workers before beginning employment with the District.

**AR 4112.3 Exhibit A; AR 4212.3 Exhibit A; AR 4312.3 Exhibit A: Oath or Affirmation Form for Persons Employed by a School District in the State of California**

**AR 4112.4, AR 4212.4, AR 4312.4: Health Examinations**

All employees must obtain a tuberculosis skin test or x-ray verifying freedom from active tuberculosis prior to employment and a subsequent test once every four years while employed.

**BP 4112.42, 4212.42, 4312.42: Drug and Alcohol Testing for School Bus Drivers**

The District shall establish a drug and alcohol testing program designed to prevent the operation of buses by a driver who is under the influence.

**4112.42/AR-1; 4212.42/AR-1; 4312.42/AR-1: Drug and Alcohol Testing for School Bus Drivers**

The process and procedures for administering drug and alcohol testing for school bus drivers

## ITEM 16

## Current San Dieguito Union High School District PERSONNEL Board Policies and Administrative Regulations

(Recommended for future deletion and to be revised/replaced with CSBA Board Policies)

CURRENT San Dieguito UHSD PERSONNEL Board Policies and Administrative Regulations	Policy or AR	Title of Board Policies and Administrative Regulations
4100.1/4200.1	BP	Equal Employment Opportunity Program
4100.1 AR-1/4200.1 AR-1	AR	Equal Employment Opportunity Program
4100.2/4200.2/4300.2	BP	Nondiscrimination
4100.2 AR-1/4200.2 AR-1	AR	Nondiscrimination
4100.2 AR-2/4200.2 AR-2	AR	Request for Communication Accommodations
4111/4211/4311/4312	BP	Recruitment and Selection
4111 AR-1/4312 AR-1	AR	Recruitment and Selection
4111.1	BP	Re-employment of Certificated Personnel
4112/4412/4512	BP	Appointment
4112.1	BP	Contract: Teachers
4112.2/4200.3/4312.6	BP	Personnel Files
4112.2 AR-1/4200.3 AR-1/ 4312.6 AR-1	AR	Personnel Files
4112.3/4212.3/4312.3	BP	Oath or Affirmation
4112.3-Attachment/ 4212.3 Attachment		Oath of Allegiance Form
4112.4/4212.4	BP	Child Abuse Reporting Statement
4112.4 AR-1/4212.4 AR-1	AR	Child Abuse Reporting Requirements
4112.5/4212.5	BP	Drug-Free Workplace
4112.6/4212.7/4320	BP	Employee Drug Testing
4112.6 AR-1/4212.7 AR-1/4320 AR-1	BP	Employee Drug Testing
4112.61/4212.61/4312.61	BP	Employment References
4112.61 AR-1/4212.61 AR-1/ 4312.61 AR-1	AR	Employment References
4112.7	BP	Employee Acceptable Use Policy
4112.7 AR-1	AR	Employee Acceptable Use Policy
4112.9/4212.9/4312.9	BP	Employee Notifications
4113	BP	Certification
4114/4214	BP	Health Examination
4114.1/4214.1	BP	Bloodborne Pathogens
4115.1	BP	Assignment
4115.2	BP	Assignment-Summer School or Adult Education
4116/4316/4416/4516	BP	Rights, Responsibilities, and Duties
4116.01	BP	Departmental Organization
4116.01 AR-1	AR	Departmental Organization
4116.1/4216.1	BP	Complaints Concerning Schools
4116.2	BP	Complaints Concerning Instructional Materials

## ITEM 16

<b>Current San Dieguito UHSD PERSONNEL Board Policy/Administrative Regulation Numbers</b>	<b>Policy or AR</b>	<b>Title of Board Policy/Administrative Regulation</b>
4116.2 AR-1	AR	Instructional Materials
4116.6/4213	BP	Tobacco-Free Schools/Smoking
4116.6 AR-1/4213 AR-1	AR	Tobacco-Free Schools/Smoking
4116.21	BP	Academic and Personal Freedom
4117	BP	Competency and Teacher Evaluations
4117 AR-1	AR	Evaluation/Supervision
4118	BP	Certificated Personnel Probationary/Permanent Status
4118.1	BP	Civil and Legal Rights
4118.2	BP	Unique Needs of Probationary Certificated Employees
4118.2 AR-1	AR	Unique Needs of Probationary Certificated Employees
4119	BP	Separation
4119 AR-1	AR	Notice of Disciplinary Action/Right of Appeal
4119 AR-2	AR	Hearing: Dismissal/Suspension/Disciplinary Action
4119.1 AR-1	AR	Pre-Retirement Part-Time Employment
4119.2/4255/4321	BP	Resignation
4119.11/4219.11/4319.11/4419.1/4519.1	BP	Sexual Harassment
4119.21/4219.21/4319.21	BP	Professional Standards
4119.41/4219.41/4319.41	BP	Employees with Infectious Disease
4120	BP	Assignment – Extra-Curricular Personnel (Including Driver Training)
4120 AR-1	AR	Extra-Curricular Assignments
4120 AR-2	AR	Extra-Curricular Assignments/Evaluation
4121/4218	BP	Coaching Expectations and Responsibilities
4122	BP	Substitute Teachers
4122.1 AR-1	AR	Substitute Salary Schedule
4123	BP	Professional Trainees
4124	BP	Part-Time Teachers
4130	BP	Mentor Teachers
4131	BP	Staff Development
4132	BP	Professional Growth Requirements
4132 AR-1	AR	Professional Growth Requirements
4133	BP	Travel
4133 AR-1	AR	Travel
4134	BP	Tutoring
4135/4235	BP	Complaint Procedure
4136	BP	Travel Events, Meetings, and Conferences
4136 AR-1	AR	Travel Events, Meetings, and Conferences
4136 AR-2	AR	In-District Meetings
4136.1/4236.1	BP	Meeting Expense
4137	BP	Solicitation and Drives
4138/4238/4338	BP	Lactation Accommodation
4139 AR-1	AR	Peer Assistance and Review

## ITEM 16

<b>Current San Dieguito UHSD PERSONNEL Board Policy/Administrative Regulation Numbers</b>	<b>Policy or AR</b>	<b>Title of Board Policy/Administrative Regulation</b>
4140/4240/4340	BP	Bargaining Units
4141/4231/4241.2/4441.2/4541	BP	Employee Compensation
4141 AR-1	AR	Compensation and Related Benefits
4141 Attachment		Certificated Salary Schedule
4143 AR-1	AR	Extra-Curricular Salaries
4146.1/4246.1	BP	Tax Sheltered Accounts
4147/4258/4358	BP	Employee Protection
4148/4248/4348/4448/4548	BP	Safety Conditions of Employment
4150	BP	Leaves and Vacations
4151.1	BP	Teacher Inservice Leave
4151.1 AR-1	AR	Teacher Inservice Leave
4151.2/4251.2/4351.7	BP	Military Leave
4153.3	BP/AR	Instructional School Calendar
4154/4254	BP	Employee Recognition Program
4212.6	BP	Controlled Substance and Alcohol Policy for Operation of Commercial Vehicles
4212.6 AR-1	AR	Controlled Substance and Alcohol Policy for Operation of Commercial Vehicles
4217	BP	Training Program
4217 AR-1	AR	Outline of Training Program
4224	BP	Meetings and Conferences
4224 AR-1	AR	Out-of-District Meetings, Conference Attendance, and Overtime Trips
4231 Attachment A		Classified Salary Schedule
4231 Appendix A	BP	Salary Range Definitions
4231 AR-1	AR	Salary Guides
4231.1	BP	Hourly Wage Scale for Community Service Employees
4232	BP	Classified Substitutes
4233	BP	Fringe Benefits/Limited Term Employees
4241.2 Attachment A	BP	Confidential Employees' Salary Schedule
4243	BP	Overtime
4244/4344/4444/4544	BP	Holiday Calendar
4251.1/4351.5/4451.5/4452.5/4551.5	BP	Personal Necessity Leave
4315/4415/4515	BP	Reassignment or Transfer of Management Personnel/Reassignment or Transfer of Confidential Personnel/Reassignment or Transfer of Supervisory Personnel
4317/4417/4517	BP	Management Employees' Evaluation Policy/Confidential Employees' Evaluation Policy/Supervisory Employees' Evaluation Policy
4318/4418/4518	BP	Grievances/Complaints
4318 AR-1/4418 AR-1/4518 AR-1	AR	Grievances/Complaints

## ITEM 16

<b>Current San Dieguito UHSD PERSONNEL Board Policy/Administrative Regulation Numbers</b>	<b>Policy or AR</b>	<b>Title of Board Policy/Administrative Regulation</b>
4320.1/4420.2/4520.2	BP	Designation of Management Positions/Designation of Confidential Employees/Designation of Supervisory Employees
4341.1 Attachment A	BP	Management Salary Schedule
4343/4443/4543	BP	Benefits for Retirees
4345/4445/4545	BP	Fringe Benefits
4345.1/4445.1/4545.1	BP	Attendance of Non-Resident Students
4346	BP	Non-Work Days/Certificated Managers
4349	BP	Expense Reimbursement
4351.1/4451.1/4551.1	BP	Personal Illness or Injury Leave
4351.3/4451.3/4551.3	BP	Bereavement Leave
4351.4/4451.4/4551.4	BP	Judicial-Government Leave
4351.6/4451.6/4551.6	BP	Industrial Accident Leave
4352.2/4452.2/4552.2	BP	Personal Leave
4352.3/4452.3/4552.3	BP	Maternity Leave
4352.5/4552.5	BP	Health Leave
4441.2 Attachment A	BP	Confidential Employees' Salary Schedule
4453.1/4553.1	BP	Vacation-Confidential/Vacation-Supervisory
4513.1	BP	Cellular Phone Reimbursement
4513.1 AR-1	AR	Cellular Phone Reimbursement
4541 Attachment A	BP	Supervisory Employee's Salary Schedule

## California School Boards Association (CSBA) Personnel Board Policies

(Proposed Board Policies to be submitted for Board action over several Board meetings.)

<b>CSBA Personnel Policies and Administrative Regulations in Numerical Order</b>	<b>Policy AR or Exhibit</b>	<b>Title of CSBA Personnel Policy</b>
4000	BP	Concepts and Roles
4020	BP	Drug and Alcohol-Free Workplace
4020 Exhibit A	EX	Drug-Free Workplace Form
4030	BP	Nondiscrimination in Employment
AR 4031	AR	Complaints Concerning Discrimination in Employment
AR 4032	AR	Reasonable Accommodation
4033	BP	Lactation Accommodation
4040	BP	Employee Use of Technology
4040/AR-1	AR	Employee Use of Technology
4040/AR-1 Exhibit A	EX	Employee Acceptable Use Policy
4100	BP	Certificated Personnel
4111/4211/4311	BP	Recruitment and Selection
4111.2; 4211.2; 4311.2	BP	Legal Status Requirement
4111.2/AR-1; 4211.2/AR-1; 4311.2/AR-1	AR	Legal Status Requirement
AR 4112; AR 4212	AR	Appointment and Conditions of Employment
4112.2	BP	Certification
4112.2/AR-1	AR	Certification – Verification of Credentials
AR 4112.22	AR	Staff Teaching English Language Learners
AR 4112.23	AR	Special Education Staff
4112.24	BP	Teacher Qualifications Under the No Child Left Behind Act
4112.24/AR-1	AR	Teacher Qualifications Under the No Child Left Behind Act
AR 4112.3; AR 4212.3; AR 4312.3	AR	Oath Or Affirmation
AR 4112.3 Exhibit A; AR 4212.3 Exhibit A; AR 4312.3 Exhibit A	EX	Oath or Affirmation for Persons Employed by a School District in the State of California
AR 4112.4; AR 4212.4; AR 4312.4	AR	Health Examinations
4112.42; 4212.42; 4312.42	BP	Drug and Alcohol Testing for School Bus Drivers
4112.42/AR-1; 4212.42/AR-1; 4312.42/AR-1	AR	Drug and Alcohol Testing for School Bus Drivers
AR 4112.5; AR 4212.5; AR 4312.5	AR	Criminal Record Check
AR 4112.6; AR 4212.6; AR 4312.6	AR	Personnel Files
4112.61; 4212.61; 4312.61	BP	Employment References
4112.61/AR-1; 4212.61/AR-1; 4312.61/AR-1	AR	Employment References
AR 4112.62; AR 4212.62; AR 4312.62	AR	Maintenance of Criminal Offender Records

## ITEM 16

<b>CSBA Personnel Policies and Administrative Regulations in Numerical Order</b>	<b>Policy AR or Exhibit</b>	<b>Title of CSBA Personnel Policy</b>
AR 4112.62 Exhibit A; AR 4212.62 Exhibit A; AR 4312.62 Exhibit A	EX	Maintenance of Criminal Offender Records
4112.8; 4212.8; 4312.8	BP	Employment of Relatives
4112.9; 4212.9; 4312.9	BP	Employee Notifications
4112.9 Exhibit A; 4212.9 Exhibit A; 4312.9 Exhibit A	EX	Employee Notifications
4113	BP	Assignment
4113/AR-1	AR	Assignment
4113.4; 4213.4; 4313.4	BP	Temporary Modified/Light-Duty Assignment
4114; 4314	BP	Transfers
4314/AR-1	AR	Transfers
4115; 4215; 4315	BP	Evaluation/Supervision
4115/AR-1	AR	Evaluation/Supervision
4116; 4216	BP	Probationary/Permanent Status
4116/AR-1	AR	Probationary/Permanent Status
AR 4117.11; AR 4217.11; AR 4317.11	AR	Preretirement Part-Time Employment
4117.13; 4317.13	BP	Early Retirement Option
AR 4117.14; AR 4317.14	AR	Postretirement Employment
4117.2; 4217.2; 4317.2	BP	Resignation
4117.3	BP	Personnel Reduction
AR 4117.4	AR	Dismissal
AR 4117.5; AR 4217.5; AR 4317	AR	Termination Agreements
AR 4117.6	AR	Decision Not To Rehire
AR 4117.7; AR 4317	AR	Employment Status Reports
4118	BP	Suspension/Disciplinary Action
4118/AR-1	AR	Suspension/Disciplinary Action
4119.1; 4219.1; 4319.1	BP	Civil and Legal Rights
4119.11; 4219.11; 4319.11	BP	Sexual Harassment
4119.11/AR-1; 4219.11/AR-1; 4319.11/AR-1	AR	Sexual Harassment
4119.21; 4219.21; 4319.21	BP	Professional Standards
4119.21 Exhibit A; 4219.21 Exhibit A; 4319.21 Exhibit A	EX	Professional Standards
4119.22; 4219.22; 4319.22	BP	Dress and Grooming
4119.23; 4219.23; 4319.23	BP	Unauthorized Release of Confidential/Privileged Information
4119.25; 4219.25; 4319.25	BP	Political Activities of Employees
4119.25/AR-1; 4219.25/AR-1; 4319.25/AR-1	AR	Political Activities of Employees
4119.41; 4219.41; 4319.41	BP	Employees With Infectious Disease



## ITEM 16

<b>CSBA Personnel Policies and Administrative Regulations in Numerical Order</b>	<b>Policy AR or Exhibit</b>	<b>Title of CSBA Personnel Policy</b>
4119.42; 4219.42; 4319.42	BP	Exposure Control Plan for Bloodborne Pathogens
4119.42/AR-1; 4219.42/AR-1; 4319.42/AR-1	AR	Exposure Control Plan for Bloodborne Pathogens
4119.42 Exhibit A; 4219.42 Exhibit A; 4319.42 Exhibit A	EX	Exposure Control Plan for Bloodborne Pathogens
4119.43; 4219.43; 4319.43	BP	Universal Precautions
4119.43/AR-1; 4219.43/AR-1; 4319.43/AR-1	AR	Universal Precautions
4121	BP	Temporary/Substitute Personnel
4121/AR-1	AR	Temporary/Substitute Personnel
4127; 4227; 4327	BP	Temporary Athletic Team Coaches
4127/AR-1; 4227/AR-1; 4327/AR-1	AR	Temporary Athletic Team Coaches
4131; 4231; 4331	BP	Staff Development
4131.1	BP	Teacher Support and Guidance
4131.1/AR-1	AR	Teacher Support and Guidance
4132; 4232; 4332	BP	Publication of Creation Materials
4135; 4235; 4335	BP	Soliciting and Selling
4136; 4236; 4336	BP	Nonschool Employment
4140; 4240; 4340	BP	Bargaining Units
4141; 4241	BP	Collective Bargaining Agreement
4141.6; 4241.6	BP	Concerted Action/Work Stoppage
4141.6/AR-1; 4241.6/AR-1	AR	Concerted Action/Work Stoppage
4143; 4243	BP	Negotiations/Consultation
4143.1; 4243.1	BP	Public Notice – Personnel Negotiations
4143.1/AR-1; 4243.1/AR-1	AR	Public Notice – Personnel Negotiations
4144; 4244; 4344	BP	Complaints
4144/AR-1; 4244/AR-1; 4344/AR-1	AR	Complaints
4151; 4251; 4351	BP	Employee Compensation
4154; 4254; 4354	BP	Health and Welfare Benefits
4154/AR-1; 4254/AR-1; 4354/AR-1	AR	Health and Welfare Benefits
4156.2; 4256.2; 4356.2	BP	Awards and Recognition
4156.3; 4256.3; 4356.3	BP	Employee Property Reimbursement
4157; 4257; 4357	BP	Employee Safety
4157/AR-1; 4257/AR-1; 4357/AR-1	AR	Employee Safety
4157.1; 4257.1; 4357.1	BP	Work-Related Injuries
AR 4157.2; AR 4257.2; AR 4357.2	AR	Ergonomics
4158; 4258; 4358	BP	Employee Security

## ITEM 16

<b>CSBA Personnel Policies and Administrative Regulations in Numerical Order</b>	<b>Policy AR or Exhibit</b>	<b>Title of CSBA Personnel Policy</b>
4158/AR-1; 4258/AR-1 4358/AR-1	AR	Employee Security
4159; 4259; 4359	BP	Employee Assistance Programs
4161; 4261; 4361	BP	Leaves
4161/AR-1; 4261/AR-1 4361/AR-1	AR	Leaves
AR 4161.1; AR 4261.1 AR 4361.1	AR	Personal Illness/Injury Leave
AR 4161.11; AR 4261.11; AR 4361.11	AR	Industrial Accident/Illness Leave
AR 4161.2; AR 4261.2; AR 4361.2	AR	Personal Leaves
AR 4161.3; AR 4261.3	AR	Professional Leaves
AR 4161.5; AR 4261.5 AR 4361.5	AR	Military Leave
AR 4161.8; AR 4261.8; AR 4361.8	AR	Family Care and Medical Leave
4161.9; 4261.9; 4361.9	BP	Catastrophic Leave Program
4161.9/AR-1; 4261.9/AR-1 4361.9/AR-1	AR	Catastrophic Leave Program
4200	BP	Classified Personnel
4200/AR-1	AR	Classified Personnel
AR 4217.3	AR	Layoff/Rehire
4222	BP	Teacher Aides/Paraprofessionals
4222/AR-1	AR	Teacher Aides/Paraprofessionals
4222/AR-1 Exhibit A	EX	Teacher Aides/Paraprofessionals
4300	BP	Administrative and Supervisory Personnel
4300/AR-1	AR	Administrative and Supervisory Personnel
4301	BP	Administrative Staff Organization
4312.1	BP	Contracts
4313.2	BP	Demotion/Reassignment
4313.2/AR-1	AR	Demotion/Reassignment

**PERSONNEL****4000****CONCEPTS AND ROLES**

The Governing Board recognizes that the success of district students and programs hinges on effective personnel. The Board desires to establish safe and supportive working conditions that will attract and retain staff members who are highly qualified and dedicated to the education and welfare of students. The district's personnel policies and related regulations shall be designed to ensure a supportive, positive climate and shall be consistent with collective bargaining agreements and in conformance with state and federal law and regulations.

As the legal representative of the district in negotiations with employee representatives, the Board shall set goals and guidelines for collective bargaining, maintain communications during the bargaining process, and adopt the negotiated contract. Terms and conditions of employment which have been negotiated and stated in employee contracts shall have the force of policy. The Board shall hear employee complaints and appeals when such hearings are in accordance with Board policy or negotiated agreements. The Board shall also adopt wage and salary schedules and shall commit budget funds for staff development so that staff members may continue developing their skills.

The Superintendent has primary responsibility for overseeing the district's personnel system. To support this effort, the Board shall approve a framework for sound hiring practices. The Superintendent shall nominate all personnel for employment, and the Board shall approve only those persons so recommended. Individuals who approach Board members regarding prospective employment shall be referred to the Superintendent or designee.

The Superintendent or designee shall assign and supervise the work of all employees and shall evaluate their work in accordance with effective accountability systems approved by the Board. The Superintendent or designee also shall recommend disciplinary action which the Board may take against employees when warranted pursuant to Board policy, administrative regulations and/or state or federal law.

The Board recognizes that every employee has a stake in the district's successful operation. The Board encourages all district employees to express their ideas, concerns and proposals related to the improvement of working conditions and the total educational program. The Superintendent or designee shall establish procedures whereby he/she will receive and consider employee suggestions and submit them, when appropriate, for consideration by the Board.

**LEGAL REFERENCE:****EDUCATION CODE**

35020 Duties of employees fixed by governing board

35035 Powers and duties of superintendent

35160 Powers of governing board

**GOVERNMENT CODE**

3540-3549.3 Public education employer-employee relations

## **DRUG AND ALCOHOL-FREE WORKPLACE**

The Governing Board believes that the maintenance of a drug- and alcohol-free workplace is essential to staff and student safety and to help ensure a productive and safe work and learning environment.

An employee shall not unlawfully manufacture, distribute, dispense, possess, or use any controlled substance in the workplace.

Employees are prohibited from being under the influence of controlled substances or alcohol while on duty. For purposes of this policy, on duty means while an employee is on duty during both instructional and non-instructional time in the classroom or workplace, at extracurricular or co-curricular activities, or while transporting students or otherwise supervising them. Under the influence means that the employee's capabilities are adversely or negatively affected, impaired, or diminished to an extent that impacts the employee's ability to safely and effectively perform his/her job.

An employee shall abide by the terms of this policy and shall notify the district, within five days, of his/her conviction for violation in the workplace of any criminal drug statute.

The Superintendent or designee shall notify the appropriate federal granting or contracting agency within 10 days after receiving notification, from an employee or otherwise, of any conviction for a violation occurring in the workplace.

In accordance with law and the district's collective bargaining agreements, the Superintendent or designee shall take appropriate disciplinary action, up to and including termination, against an employee for violating the terms of this policy and/or shall require the employee to satisfactorily participate in and complete a drug assistance or rehabilitation program approved by a federal, state, or local public health or law enforcement agency or other appropriate agency.

### **DRUG-FREE AWARENESS PROGRAM**

The Superintendent or designee shall establish a drug-free awareness program to inform employees about:

1. The dangers of drug abuse in the workplace
2. The district's policy of maintaining a drug-free workplace
3. Available drug counseling, rehabilitation, and employee assistance programs
4. The penalties that may be imposed on employees for drug abuse violations occurring in the workplace

## PERSONNEL

4020

### LEGAL REFERENCE:

#### EDUCATION CODE

44011 Controlled substance offense  
44425 Conviction of controlled substance offenses as grounds for revocation of credential  
44836 Employment of certificated persons convicted of controlled substance offenses  
44940 Compulsory leave of absence for certificated persons  
44940.5 Procedures when employees are placed on compulsory leave of absence  
45123 Employment after conviction of controlled substance offense  
45304 Compulsory leave of absence for classified persons

#### GOVERNMENT CODE

8350-8357 Drug-free workplace

#### UNITED STATES CODE, TITLE 20

7111-7117 Safe and Drug Free Schools and Communities Act

#### UNITED STATES CODE, TITLE 21

812 Schedule of controlled substances

#### UNITED STATES CODE, TITLE 41

8101-8106 Drug-Free Workplace Act

#### CODE OF FEDERAL REGULATIONS, TITLE 21

1308.01-1308.49 Schedule of controlled substances

#### COURT DECISIONS

Cahoon v. Governing Board of Ventura USD, (2009) 171 Cal.App.4th 381  
Ross v. RagingWire Telecommunications, Inc., (2008) 42 Cal.4th 920

### MANAGEMENT RESOURCES:

#### WEB SITES

California Department of Alcohol and Drug Programs: <http://www.adp.ca.gov>  
California Department of Education: <http://www.cde.ca.gov>  
U.S. Department of Labor: <http://www.dol.gov>

## Notice to All Employees DRUG-FREE WORKPLACE

On November 18, 1988, the federal Drug Free Workplace Act of 1988 was enacted. This statute requires employers, such as school districts, to certify that they will provide a drug-free workplace.

In keeping with the provisions of this act, the San Dieguito Union High School District hereby notifies its employees:

1. The unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in any and all district workplaces;
2. Violation of paragraph 1 by any employee will result in appropriate discipline up to and including termination;
3. Employees will notify the Associate Superintendent Human Resources of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;
4. Within thirty (30) days of receiving the notice required by paragraph 3, the district shall:
  - a. Take appropriate disciplinary action as specified in paragraph 2; and/or
  - b. Require such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, law enforcement, or other appropriate agency.
5. The Board of Trustees of the San Dieguito Union High School District has established a drug-free awareness program through its Employee Assistance Service Program. The district will inform its employees of the dangers of drug abuse in the workplace, and will inform employees of any available drug counseling, rehabilitation and employee assistance programs.

*I have read and understand the foregoing, and have been given a copy of this document.*

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Employee Signature

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Date

**PERSONNEL****4030****NONDISCRIMINATION IN EMPLOYMENT**

The Governing Board desires to provide a positive work environment where employees and job applicants are assured of equal access and opportunities and are free from harassment in accordance with law. The Board prohibits district employees from discriminating against or harassing any other district employee or job applicant on the basis of the person's actual or perceived race, religious creed, color, national origin, ancestry, age, marital status, pregnancy, physical or mental disability, medical condition, genetic information, veteran status, gender, gender identity, gender expression, sex, or sexual orientation.

Prohibited discrimination consists of the taking of any adverse employment action against a person, including termination or denial of promotion, job assignment, or training, or in discriminating against the person in compensation, terms, conditions, or other privileges of employment based on any of the prohibited categories of discrimination listed above.

The prohibition against discrimination based on the religious creed of an employee or job applicant includes any discrimination based on the person's religious dress or grooming practices or any conflict between the person's religious belief, observance, or practice and an employment requirement. The prohibition against discrimination based on the sex of an employee or job applicant shall include any discrimination based on the person's pregnancy, childbirth, breastfeeding, or any related medical conditions.

Harassment consists of any unwelcome verbal, physical, or visual conduct that is based on any of the prohibited categories of discrimination listed above and that is so severe or pervasive that it adversely affects an individual's employment opportunities, has the purpose or effect of unreasonably interfering with the individual's work performance, or creates an intimidating, hostile, or offensive work environment.

The Board also prohibits retaliation against any district employee or job applicant who complains, testifies, assists, or in any way participates in the district's complaint procedures instituted pursuant to this policy.

Any district employee who engages in prohibited discrimination, harassment, or retaliation or who aids, abets, incites, compels, or coerces another to engage or attempt to engage in such behavior in violation of this policy shall be subject to disciplinary action, up to and including dismissal.

The following position is designated as Coordinator for Nondiscrimination in Employment:

Director of Human Resources and/or Associate Superintendent/Human Resources  
710 Encinitas Blvd.  
Encinitas, CA 92024  
(760) 753-6491

**PERSONNEL****4030**

Any employee or job applicant who believes that he/she has been or is being discriminated against or harassed in violation of district policy should, as appropriate, immediately contact his/her supervisor, Coordinator, or the Superintendent who shall advise the employee or applicant about the district's procedures for filing, investigating, and resolving any such complaint.

Complaints regarding employment discrimination or harassment shall immediately be investigated in accordance with AR 4031 - Complaints Concerning Discrimination in Employment.

Any supervisory or management employee who observes or has knowledge of an incident of prohibited discrimination or harassment shall report the incident to the Coordinator or Superintendent as soon as practical after the incident. All other employees are encouraged to report such incidents to their supervisor immediately.

**TRAINING AND NOTIFICATIONS**

The Superintendent or designee shall provide training to employees about how to recognize harassment and discrimination, how to respond appropriately, and components of the district's policies and regulations regarding discrimination.

The Superintendent or designee shall regularly publicize, within the district and in the community, the district's nondiscrimination policy and the availability of complaint procedures. Such publication shall be included in each announcement, bulletin, or application form that is used in employee recruitment.

The district's policy shall be posted in all district schools and offices including staff lounges and student government meeting rooms.

**LEGAL REFERENCE****EDUCATION CODE**

200-262.4 Prohibition of discrimination

**CIVIL CODE**

51.7 Freedom from violence or intimidation

**GOVERNMENT CODE**

11135 Unlawful discrimination

12900-12996 Fair Employment and Housing Act

**PENAL CODE**

422.56 Definitions, hate crimes

**CODE OF REGULATIONS, TITLE 2**

7287.6 Terms, conditions and privileges of employment



## PERSONNEL

4030

### CODE OF REGULATIONS, TITLE 5

4900-4965 Nondiscrimination in elementary and secondary education programs

### UNITED STATES CODE, TITLE 20

1681-1688 Title IX of the Education Amendments of 1972

### UNITED STATES CODE, TITLE 29

621-634 Age Discrimination in Employment Act

794 Section 504 of the Rehabilitation Act of 1973

### UNITED STATES CODE, TITLE 42

2000d-2000d-7 Title VI, Civil Rights Act of 1964, as amended

2000e-2000e-17 Title VII, Civil Rights Act of 1964, as amended

2000ff-2000ff-11 Genetic Information Nondiscrimination Act of 2008

2000h-2-2000h-6 Title IX of the Civil Rights Act of 1964

6101-6107 Age discrimination in federally assisted programs

12101-12213 Americans with Disabilities Act

### CODE OF FEDERAL REGULATIONS, TITLE 28

35.101-35.190 Americans with Disabilities Act

### CODE OF FEDERAL REGULATIONS, TITLE 34

100.6 Compliance information

104.7 Designation of responsible employee for Section 504

104.8 Notice

106.8 Designation of responsible employee and adoption of grievance procedures

106.9 Dissemination of policy

110.1-110.39 Nondiscrimination on the basis of age

### COURT DECISIONS

Thompson v. North American Stainless LP, (2011) 131 S.Ct. 863

Shephard v. Loyola Marymount, (2002) 102 Cal.App.4th 837

### MANAGEMENT RESOURCES:

#### U.S. DEPARTMENT OF EDUCATION, OFFICE FOR CIVIL RIGHTS PUBLICATIONS

Notice of Non-Discrimination, August 2010

#### U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION PUBLICATIONS

Questions and Answers: Religious Discrimination in the Workplace, 2008

Enforcement Guidance: Reasonable Accommodation and Undue Hardship under the Americans with Disabilities Act, October 2002

Enforcement Guidance: Vicarious Employer Liability for Unlawful Harassment by Supervisors, June 1999

## PERSONNEL

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4030

### WEB SITES

California Department of Fair Employment and Housing: <http://www.dfeh.ca.gov>

U.S. Department of Education, Office for Civil Rights: <http://www.ed.gov/about/offices/list/ocr>

U.S. Equal Employment Opportunity Commission: <http://www.eeoc.gov>

## PERSONNEL

4031/AR

### COMPLAINTS CONCERNING DISCRIMINATION IN EMPLOYMENT

#### COMPLAINT PROCEDURE

Any complaint by an employee or job applicant alleging discrimination or harassment shall be addressed in accordance with the following procedures:

1. **Notice and Receipt of Complaint:** Any employee or job applicant (the "complainant") who believes he/she has been subjected to prohibited discrimination or harassment shall promptly inform his/her supervisor, the district's Coordinator for Nondiscrimination in Employment, or the Superintendent.

The complainant may file a written complaint in accordance with this procedure, or if he/she is an employee, may first attempt to resolve the situation informally with his/her supervisor.

A supervisor or manager who has received information about an incident of discrimination or harassment, or has observed such an incident, shall report it to the Coordinator, whether or not the complainant files a written complaint.

The written complaint should contain the complainant's name, the name of the individual who allegedly committed the act, a description of the incident, the date and location where the incident occurred, any witnesses who may have relevant information, other evidence of the discrimination or harassment, and any other pertinent information which may assist in investigating and resolving the complaint.

2. **Investigation Process:** The Coordinator shall initiate an impartial investigation of an allegation of discrimination or harassment within five school days of receiving notice of the behavior, regardless of whether a written complaint has been filed or whether the written complaint is complete.

The Coordinator shall meet with the complainant to describe the district's complaint procedure and discuss the actions being sought by the complainant in response to the allegation. The Coordinator shall inform the complainant that the allegations will be kept confidential to the extent possible, but that some information may be revealed as necessary to conduct an effective investigation.

If the Coordinator determines that a detailed fact-finding investigation is necessary, he/she shall begin the investigation immediately. As part of this investigation, the Coordinator should interview the complainant, the person accused, and other persons who could be expected to have relevant information.

When necessary to carry out his/her investigation or to protect employee or student safety, the Coordinator may discuss the complaint with the Superintendent or designee, district legal counsel, or the district's risk manager.

**PERSONNEL****4031/AR**

The Coordinator also shall determine whether interim measures, such as scheduling changes, transfers, or leaves, need to be taken before the investigation is completed to ensure that further incidents do not occur. The Coordinator shall ensure that such interim measures do not constitute retaliation.

3. **Written Report on Findings and Corrective Action:** No more than 30 days after receiving the complaint, the Coordinator shall conclude the investigation and prepare a written report of his/her findings. This timeline may be extended for good cause. If an extension is needed, the Coordinator shall notify the complainant and explain the reasons for the extension.

The report shall include the decision and the reasons for the decision and shall summarize the steps taken during the investigation. If a determination has been made that discrimination or harassment occurred, the report also shall include any corrective action(s) that have been or will be taken to address the behavior, correct the effect on the complainant, and ensure that retaliation or further discrimination or harassment does not occur.

The report shall be presented to the complainant, the person accused, and the Superintendent or designee.

4. **Appeal to the Governing Board:** The complainant or the person accused may appeal any findings to the Board within 10 working days of receiving the written report of the Coordinator's findings. The Superintendent or designee shall provide the Board with all information presented during the investigation. Upon receiving an appeal, the Board shall schedule a hearing as soon as practicable. Any complaint against a district employee shall be addressed in closed session in accordance with law. The Board shall render its decision within 10 working days.

**OTHER REMEDIES**

In addition to filing a discrimination or harassment complaint with the district, a person may also file a complaint with either the California Department of Fair Employment and Housing (DFEH) or the Equal Employment Opportunity Commission (EEOC). The time limits for filing such complaints are as follows:

1. To file a valid complaint with DFEH, within one year of the alleged discriminatory act(s), unless an exception exists pursuant to Government Code 12960
2. To file a valid complaint directly with EEOC, within 180 days of the alleged discriminatory act(s)
3. To file a valid complaint with EEOC after first filing a complaint with DFEH, within 300 days of the alleged discriminatory act(s) or within 30 days after the termination of proceedings by DFEH, whichever is earlier

## PERSONNEL

4031/AR

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### LEGAL REFERENCE:

#### EDUCATION CODE

200-262.4 Prohibition of discrimination

#### GOVERNMENT CODE

12920-12921 Nondiscrimination

12940-12948 Discrimination prohibited; unlawful practices, generally

#### UNITED STATES CODE, TITLE 20

1681-1688 Title IX of the Education Amendments of 1972

#### UNITED STATES CODE, TITLE 29

621-634 Age Discrimination in Employment Act

794 Section 504 of the Rehabilitation Act of 1973

#### UNITED STATES CODE, TITLE 42

2000d-2000d-7 Title VI, Civil Rights Act of 1964, as amended

2001e-2001e-17 Title VII, Civil Rights Act of 1964, as amended

2000ff-2000ff-11 Genetic Information Nondiscrimination Act of 2008

2001h-2-2001h-6 Title IX of the Civil Rights Act of 1964

12101-12213 Americans with Disabilities Act

#### CODE OF FEDERAL REGULATIONS, TITLE 28

35.101-35.190 Americans with Disabilities Act

#### CODE OF FEDERAL REGULATIONS, TITLE 34

106.8 Designation of responsible employee for Title IX

## PERSONNEL

4032/AR

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### REASONABLE ACCOMMODATION

Except when undue hardship would result to the district, the Superintendent or designee shall provide reasonable accommodation:

1. In the job application process, to any qualified job applicant with a disability
2. To enable any qualified employee with a disability to perform the essential functions of the position he/she holds or desires to hold or to enjoy equal benefits or other terms, conditions, and privileges of employment as other similarly situated employees without disabilities

The district designates the position specified in BP 4030 - Nondiscrimination in Employment as the coordinator of its efforts to comply with the Americans with Disabilities Act (ADA) and to investigate any and all related complaints.

### DEFINITIONS

Disability, with respect to an individual, is defined as any of the following:

1. A physical or mental impairment that limits one or more of the major life activities
2. A record of such an impairment
3. Being regarded as having such an impairment

Limits shall be determined without regard to mitigating measures such as medications, assistive devices, prosthetics or reasonable accommodations, unless the mitigating measure itself limits a major life activity.

Essential functions are the fundamental job duties of the position the individual with a disability holds or desires. The term does not include the marginal functions of the position.

Reasonable accommodation means:

1. For a qualified job applicant with a disability, modifications or adjustments to the job application process that enable him/her to be considered for the position he/she desires
2. For a qualified employee with a disability, modifications or adjustments to the work environment, or to the manner or circumstances under which the position the employee holds or desires is customarily performed, that enable him/her to perform the essential functions of that position or to enjoy equal benefits and privileges of employment as are enjoyed by the district's other similarly situated employees without disabilities

**PERSONNEL****4032/AR**

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Qualified individual with a disability means a job applicant or employee with a disability who:

1. Satisfies the requisite skill, experience, education, and other job-related requirements of the employment position he/she holds or desires
2. Can perform the essential functions of the position with or without reasonable accommodation
3. Would not pose a significant risk of substantial harm, which cannot be eliminated or reduced by reasonable accommodation, to himself/herself or others in the job he/she holds or desires

Undue hardship is a determination based on an individualized assessment of current circumstances that shows that the provision of a specific accommodation would cause significant difficulty or expense to the district.

**REQUEST FOR REASONABLE ACCOMMODATION**

When requesting reasonable accommodation, an employee or his/her representative shall inform the employee's supervisor that he/she needs a change at work for a reason related to a medical condition. The supervisor shall inform the coordinator of the employee's request as soon as practicable.

When requesting reasonable accommodation for the hiring process, a job applicant shall inform the coordinator that he/she will need a reasonable accommodation during the process.

When the disability or the need for accommodation is not obvious, the coordinator may ask the employee to supply reasonable documentation about his/her disability. In requesting this documentation, the coordinator shall specify the types of information that are being sought about the employee's condition, the employee's functional limitations, and the need for reasonable accommodation. The employee may be asked to sign a limited release allowing the coordinator to submit a list of specific questions to his/her health care or vocational professional.

If the documentation submitted by the employee does not indicate the existence of a qualifying disability or explain the need for reasonable accommodation, the coordinator shall request additional documentation that specifies the missing information. If the employee does not submit such additional documentation in a timely manner, the coordinator may require him/her to submit to an examination by a health care professional selected and paid for by the district.

The district may make a medical or psychological inquiry of a job applicant or require him/her to submit to a medical or psychological examination after he/she has been given a conditional offer of employment but before the commencement of his/her job duties, provided the inquiry or examination is job-related, consistent with business necessity, and required for all incoming employees in the same job classification.

**PERSONNEL****4032/AR**

The coordinator shall not request any job applicant's or employee's genetic information except as authorized by law.

In accordance with law, the coordinator shall take steps to ensure the confidentiality of information related to medical conditions or history. As applicable, he/she shall notify the supervisor or manager of the qualified individual of any reasonable accommodation granted the individual and may notify first aid and safety personnel when the disability of the qualified individual may require emergency treatment.

**GRANTING REASONABLE ACCOMMODATION**

Upon receiving a request for reasonable accommodation from a qualified individual with a disability, the coordinator shall:

1. Determine the essential functions of the job involved
2. Engage in an informal, interactive process with the individual to review the request for accommodation, identify the precise limitations resulting from the disability, identify potential accommodations, and assess their effectiveness
3. Develop a plan for reasonable accommodation which will enable the individual to perform the essential functions of the job or gain equal access to a benefit or privilege of employment without imposing undue hardship on the district

A determination of undue hardship should be based on several factors, including:

- a. The nature and net cost of the accommodation needed, taking into consideration the availability of tax credits and deductions and/or outside funding
- b. The overall financial resources of the facility making the accommodation, the number of persons employed at this facility, and the effect on expenses and resources of the facility
- c. The overall financial resources, number of employees, and the number, type, and location of facilities of the district
- d. The type of operation of the district, including the composition, structure, and functions of the workforce and the geographic separateness and administrative or fiscal relationship of the facility making the accommodation to other district facilities
- e. The impact of the accommodation on the operation of the facility, including the impact on the ability of other employees to perform their duties and the impact on the facility's ability to conduct business

The coordinator may confer with the site administrator, any medical advisor chosen by the district, and/or other district staff before making a final decision as to the accommodation.



## PERSONNEL

4032/AR

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### APPEAL PROCESS

Any qualified individual with a disability who is not satisfied with the decision of the coordinator may appeal in writing to the Superintendent or designee. This appeal shall be made within 10 working days of receiving the decision and shall include:

1. A clear, concise statement of the reasons for the appeal
2. A statement of the specific remedy sought

The Superintendent or designee shall consult with the coordinator and review the appeal, together with any available supporting documents. The Superintendent or designee shall give the individual his/her decision within 15 working days of receiving the appeal.

Any further appeal for reasonable accommodation shall be considered a complaint concerning discrimination in employment and may be taken to the Governing Board in accordance with the district's procedure for such complaints.

### LEGAL REFERENCE:

#### CIVIL CODE

51 Unruh Civil Rights Act

#### GOVERNMENT CODE

12900-12996 Fair Employment and Housing Act

#### UNITED STATES CODE, TITLE 29

701-794e Vocational Rehabilitation Act

#### UNITED STATES CODE, TITLE 42

2000ff-1-2000ff-11 Genetic Information Nondiscrimination Act of 2008

12101-12213 Americans with Disabilities Act

#### CODE OF FEDERAL REGULATIONS, TITLE 28

35.101-35.190 Americans with Disabilities Act, especially:

35.107 Designation of employee

36.101-36.608 Nondiscrimination on the basis of disability by public facilities

#### CODE OF FEDERAL REGULATIONS, TITLE 29

1630.2 Definitions

#### COURT DECISIONS

A.M. v. Albertsons, LLC, (2009) Cal.App.4th 455

Colmenares v. Braemar Country Club, Inc., (2003) 29 Cal.4th 1019

Chevron USA v. Echazabal, (2002) 536 U.S. 73, 122 S.Ct. 2045

US Airways, Inc. v. Barnett, (2002) 535 U.S. 391, 122 S.Ct. 1516

## PERSONNEL

4032/AR

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### MANAGEMENT RESOURCES:

#### EQUAL EMPLOYMENT OPPORTUNITY COMMISSION PUBLICATIONS

Enforcement Guidance: Reasonable Accommodation and Undue Hardship under the Americans with Disabilities Act, October 2002

#### WEB SITES

Department of Fair Employment and Housing: <http://www.dfeh.ca.gov>

Equal Employment Opportunity Commission: <http://www.eeoc.gov>

U.S. Department of Education, Office for Civil Rights: <http://www.ed.gov/about/offices/list/ocr>

**PERSONNEL****4033****LACTATION ACCOMMODATION**

The Governing Board recognizes the immediate and long-term health advantages of breastfeeding for infants and mothers and desires to provide a supportive environment for any district employee to express milk for her infant child upon her return to work following the birth of the child. The Board prohibits discrimination, harassment, and/or retaliation against any district employee who chooses to express breast milk for her infant child while at work.

The district shall provide a reasonable amount of break time to accommodate an employee each time she has a need to express breast milk for her infant child.

To the extent possible, such break time shall run concurrently with the break time already provided to the employee. Any additional break time used by a non-exempt employee for this purpose shall be unpaid.

The employee shall be provided a private location, other than a restroom, which is in close proximity to her work area and meets the requirements of Labor Code 1031 and 29 USC 207, as applicable.

Employees are encouraged to notify their supervisor or other appropriate personnel in advance of their intent to make use of the accommodations offered for employees who are nursing mothers. As needed, the supervisor shall work with the employee to address arrangements and scheduling in order to ensure that the employees' essential job duties are covered during the break time.

Lactation accommodations may be denied only in limited circumstances in accordance with law.

Before an employee's supervisor makes a determination to deny lactation accommodations, he/she shall consult the Superintendent or designee. In any case in which lactation accommodations are denied, the Superintendent or designee shall document the options that were considered and the reasons for denying the accommodations.

**LEGAL REFERENCE:****EDUCATION CODE**

200-262.4 Prohibition of discrimination on the basis of sex

**CIVIL CODE**

43.3 Right of mothers to breastfeed in any public or private location

**GOVERNMENT CODE**

12940 Discriminatory employment practices

12945 Discrimination based on pregnancy, childbirth, or related medical conditions

**LABOR CODE**

1030-1033 Lactation accommodation

## PERSONNEL

4033

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### CODE OF REGULATIONS, TITLE 2

7291.2-7291.16 Sex discrimination; pregnancy and related medical conditions

### UNITED STATES CODE, TITLE 29

207 Fair Labor Standards Act; lactation accommodation

### FAIR EMPLOYMENT AND HOUSING COMMISSION DECISIONS

Department of Fair Employment and Housing v. Acosta Tacos (Chavez), FEHC Precedential Decision 09-03P, 2009

### MANAGEMENT RESOURCES:

#### CALIFORNIA DEPARTMENT OF INDUSTRIAL RELATIONS PUBLICATIONS

Rest Periods/Lactation Accommodation, Frequently Asked Questions

#### CALIFORNIA DEPARTMENT OF PUBLIC HEALTH PUBLICATIONS

Minimum Requirements of the California Lactation Accommodation Law

#### CENTERS FOR DISEASE CONTROL AND PREVENTION PUBLICATIONS

Lactation Support Program Toolkit

#### FEDERAL REGISTER

Reasonable Break Time for Nursing Mothers, December 21, 2010, Vol. 75, No. 244, pages 80073-80079

#### OFFICE OF THE SURGEON GENERAL PUBLICATIONS

The Surgeon General's Call to Action to Support Breastfeeding, 2011

#### HEALTH RESOURCES AND SERVICES ADMINISTRATION PUBLICATIONS

The Business Case for Breastfeeding: Steps for Creating a Breastfeeding Friendly Worksite, Toolkit, 2008

#### U.S. DEPARTMENT OF LABOR, WAGE AND HOUR DIVISION, PUBLICATIONS

Fact Sheet #3: Break Time for Nursing Mothers under the FLSA, rev. December 2010

#### WEB SITES

California Department of Industrial Relations, Division of Labor and Standards Enforcement:

<http://www.dir.ca.gov/dlse>

California Department of Public Health: <http://www.cdph.ca.gov>

California Women, Infants and Children: <http://www.wicworks.ca.gov>

Centers for Disease Control and Prevention: <http://www.cdc.gov>

Health Resources and Services Administration: <http://www.hrsa.gov>

Office of the Surgeon General: <http://www.surgeongeneral.gov>

U.S. Department of Labor, Wage and Hour Division, Break Time for Nursing Mothers:

<http://www.dol.gov/whd/nursingmothers>

**PERSONNEL****4040****EMPLOYEE USE OF TECHNOLOGY**

The Governing Board recognizes that technological resources can enhance employee performance by offering effective tools to assist in providing a quality instructional program, facilitating communications with parents/guardians, students, and the community, supporting district and school operations, and improving access to and exchange of information. The Board expects all employees to learn to use the available technological resources that will assist them in the performance of their job responsibilities. As needed, employees shall receive professional development in the appropriate use of these resources.

Employees shall be responsible for the appropriate use of technology and shall use the district's technological resources primarily for purposes related to their employment.

Employees shall be notified that computer files and electronic communications, including email and voice mail, are not private. Technological resources shall not be used to transmit confidential information about students, employees, or district operations without authority.

**ONLINE/INTERNET SERVICES**

The Superintendent or designee shall ensure that all district computers with Internet access have a technology protection measure that prevents access to visual depictions that are obscene or child pornography and that the operation of such measures is enforced. The Superintendent or designee may disable the technology protection measure during use by an adult to enable access for bona fide research or other lawful purpose.

To ensure proper use, the Superintendent or designee may monitor employee usage of technological resources, including the accessing of email and stored files. Monitoring may occur at any time without advance notice or consent.

The Superintendent or designee shall establish administrative regulations and an Acceptable Use Agreement which outline employee obligations and responsibilities related to the use of district technology. He/she also may establish guidelines and limits on the use of technological resources. Inappropriate use may result in a cancellation of the employee's user privileges, disciplinary action, and/or legal action in accordance with law, Board policy, and administrative regulation.

The Superintendent or designee shall provide copies of related policies, regulations, and guidelines to all employees who use the district's technological resources. Employees shall be required to acknowledge in writing that they have read and understood the district's Acceptable Use Agreement.

**LEGAL REFERENCE:****EDUCATION CODE**

52295.10-52295.55 Implementation of Enhancing Education through Technology grant program

**GOVERNMENT CODE**

3543.1 Rights of employee organizations

## PERSONNEL

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4040

### PENAL CODE

502 Computer crimes, remedies

632 Eavesdropping on or recording confidential communications

### VEHICLE CODE

23123 Wireless telephones in vehicles

23123.5 Mobile communication devices; text messaging while driving

23125 Wireless telephones in school buses

### UNITED STATES CODE, TITLE 20

6751-6777 Enhancing Education Through Technology Act, Title II, Part D, especially:

6777 Internet safety

### UNITED STATES CODE, TITLE 47

254 Universal service discounts (E-rate)

### CODE OF FEDERAL REGULATIONS, TITLE 47

54.520 Internet safety policy and technology protection measures, E-rate discounts

### MANAGEMENT RESOURCES:

#### WEB SITES

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

American Library Association: <http://www.ala.org>

California Department of Education: <http://www.cde.ca.gov>

Federal Communications Commission: <http://www.fcc.gov>

U.S. Department of Education: <http://www.ed.gov>

**PERSONNEL****4040/AR-1**

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**EMPLOYEE USE OF TECHNOLOGY****ONLINE/INTERNET SERVICES: USER OBLIGATIONS AND RESPONSIBILITIES**

Employees are authorized to use district equipment to access the Internet or other online services in accordance with Board policy, the district's Acceptable Use Agreement, and the user obligations and responsibilities specified below.

1. The employee in whose name an online services account is issued is responsible for its proper use at all times. Employees shall keep account information, home addresses, and telephone numbers private. They shall use the system only under the account number to which they have been assigned.
2. Employees shall use the system safely, responsibly, and primarily for work-related purposes.
3. Employees shall not access, post, submit, publish, or display harmful or inappropriate matter that is threatening, obscene, disruptive, or sexually explicit, or that could be construed as harassment or disparagement of others based on their race, ethnicity, national origin, sex, gender, sexual orientation, age, disability, religion, or political beliefs.
4. Employees shall not use the system to promote unethical practices or any activity prohibited by law, Board policy, or administrative regulations.
5. Employees shall not use the system to engage in commercial or other for-profit activities without permission of the Superintendent or designee.
6. Copyrighted material shall be posted online only in accordance with applicable copyright laws.
7. Employees shall not attempt to interfere with other users' ability to send or receive email, nor shall they attempt to read, delete, copy, modify, or forge other users' email.
8. Employees shall not develop any classroom or work-related web sites, blogs, forums, or similar online communications representing the district or using district equipment or resources without permission of the Superintendent or designee. Such sites shall be subject to rules and guidelines established for district online publishing activities including, but not limited to, copyright laws, privacy rights, and prohibitions against obscene, libelous, and slanderous content. Because of the unfiltered nature of blogs, any such site shall include a disclaimer that the district is not responsible for the content of the messages. The district retains the right to delete material on any such online communications.
9. Users shall report any security problem or misuse of the services to the Superintendent or designee.

## EMPLOYEE ACCEPTABLE USE POLICY

### USE OF TECHNOLOGY

Communications and computer technology at SDUHSD are provided and maintained for instructional, educational and administrative purposes only. This Administrative Regulation implements Board Policy 4112.7/4212.7, Employee Acceptable Use Policy, and governs the use of these technologies by employees during the performance of their functions.

#### A. Access to Technology Equipment and Services

Access to technology is provided to facilitate the instructional and administrative tasks performed by District employees. The level of access provided will coincide with the requirements of each employee's job functions.

Computer files and communications stored or sent over electronic networks, including e-mail, voice mail and Internet access, are not private, and may be monitored and viewed by the District at any time without prior notice. This technology should not be used to divulge confidential information about students, employees, or District business to unauthorized persons.

To ensure proper use, the Superintendent or designee may monitor the District's technological resources, including e-mail, voice mail systems and Internet usage, at any time without advance notice or consent.

#### B. Acceptable Use

It is a general policy that computer or network resources are to be used in a responsible, efficient, ethical, and legal manner in support of education, business and/or research and within the educational program and goals of the District. The use of electronic information resources is a privilege, not a right. Each user is personally responsible for this provision at all times when using electronic information services.

The Superintendent, principal, or their designees may set more restrictive guidelines for employees in their area of responsibility.

While electronic information resources offer tremendous opportunities of educational value, they also offer persons with illegal or unethical purposes avenues for reaching students, teachers, and others, including parents. SDUHSD does not have control of the information on commercial electronic information services or the information on the Internet, although it attempts to provide prudent and available barriers. Sites accessible via the Internet may contain material that is illegal, defamatory, inaccurate or potentially offensive to some people.

Should an employee see any unacceptable materials or inappropriate use, he/she shall notify the site administrator or supervisor immediately, report any instances where the Acceptable Use Policy or security may be violated and report inappropriate Internet web sites to the Information Technology Department so that access to the sites can be blocked in the future.

If there is any doubt as to the appropriate use of a District-provided electronic system, the employee should review the use in advance with a supervisor and/or a member of the Information Technology Department.



**C. Proper Use and Care**

Before operating any equipment, users will be made familiar with the basics of safety and damage prevention, and trained on proper care and operation. Users will be individually assessed to determine their technical capabilities, and will be properly trained and supported by the Information Technology Department, as systems are issued for their use.

Many users, especially at school sites, will be sharing systems as part-time users. In this scenario, subsequent users will suffer if systems are misconfigured or damaged by previous users. In some cases, special software is used to protect essential system configurations, requiring each user to log-on individually, and enabling only the services for which the user is authorized.

Equipment abuses are unacceptable whether out of frustration, misuse, negligence or carelessness. Users are responsible for damage to or loss of District equipment. District vandalism policies apply, making users liable for intentionally inflicted damage.

Users should not attempt repairs without authorization or support from designated District or school site personnel. Volunteers – students, parents, family members, or friends – are not authorized to attempt repairs on District equipment.

Guidelines for the care and use of computer software are similar to hardware policies. Users are responsible for damage to or loss of District software systems. District vandalism policies apply to software as well, making users liable for intentionally inflicted damage. Employees who are personally-assigned portable technology devices such as laptops, cellular phones, personal digital assistants, etc., shall return those devices to the District upon demand and shall be liable for any costs to repair or replace equipment that is lost or damaged beyond reasonable wear and tear.

Users shall not install or modify applications without approval and support of the Director of Educational Technology. Any unauthorized changes to systems, operating software, application software, or hardware configurations will be uninstalled when discovered by technology or instructional staff. Peer-to-peer file-sharing software cannot be installed or used on District computers for the purpose of illegally sharing copyrighted materials such as music, images and software.

Users shall not download or install software without proper approval of the Director of Educational Technology. Non-licensed or unapproved software will be deleted.

In order to ensure proper configuration and to safeguard network security and performance, users should not attach computers, printers, network equipment (including wireless access points), web cameras, or other types of hardware to the District's network or telephone systems without prior approval and support of the Director of Educational Technology. Any equipment found to be in violation of this policy will be immediately disconnected.

**D. Personal Responsibility**

All technology equipment is District property and is provided for instructional or administrative use only. Personal use is limited in the same manner as other similar District property – telephones, copiers, postage, office supplies and instructional materials. Supervisors will provide guidance as to the appropriate level of personal use.

The same guidelines that currently apply to magazines, books, videos, or other materials apply equally to Internet use. Board policies on sexual harassment, civility, and commercial activity apply to all technology or electronic activities.

The conduct of personal business, including buying and selling products or promoting services, using District resources is not allowed. In addition, District electronic resources cannot be used to conduct political or religious activities. District e-mail cannot be used to advertise or solicit for non-District sponsored events.

The District maintains a public Internet site and an in-house Intranet site. All materials published on these sites must follow the same Board Policies and Education Code Sections that apply to printed material. These policies include restrictions on the content, nature, purpose, and volume of information to be published. Intranet pages are provided for District employees only. Any information to be posted on the public Web site or in-house Intranet site must meet the District's Web Guidelines and Publishing Standards. Restrictions apply to links to other sites that may not be appropriate and to personal information or pictures of students without parental consent. Specific web site guidelines are established and available through the Information Technology Department.

Do not store personal files or applications on District media.

#### **E. Security and Passwords**

Security on any computer system is a high priority. Any breach of security compromises the integrity of our student records, curriculum, attendance accounting, business records, confidential data, and communications. To maintain security, users are issued unique User ID's and passwords to enable their access. All users are informed and understand that the District maintains the right to access, at any time, without advance notice or consent, all applications and files of the District-provided computer and electronic systems despite the individual user IDs and passwords.

1. Do not use another user's passwords.
2. Do not write down a password where others can see it.
3. Change passwords regularly.
4. Never demonstrate a security problem to other users.
5. Never use another individual's account. All use of the system must be under your own account.
6. Users shall not bypass filters or firewalls, use proxy servers, gain access to sites or networks without authorization, or otherwise attempt to defeat network security protocols.
7. Users may not physically attach personally-owned devices to an SDUHSD network.
8. Users may not load any software or executable programs on any SDUHSD computer/network.

To maintain the integrity of the student information system (grades, attendance, curriculum), do not permit any student to use your staff computer or your staff User ID at any time. Any user identified as a security risk will be denied access to the information system.

**F. Penalties for Violations**

Violation of the Acceptable Use Policy may result in a reduction or loss of access privileges. In many cases, access privileges may be essential to job functions. Additionally, those failing to follow the guidelines contained in this regulation may face disciplinary action in accordance with collective bargaining agreements, Personnel Commission Rules and Regulations for the Classified Service, state law, and Board policy.

**G. Social Media**

In order to meet the growing needs of our 21<sup>st</sup> century learners, the San Dieguito Union High School District recognizes the need to incorporate into the educational environment Social Media that has an instructional or educational purpose or the purpose of communicating relevant information about school related activities. Social Media is a term that describes web-based and mobile technology communication tools with a focus on interactivity, user participation and information sharing in multiple ways. Social Media refers to venues such as blogs, video/photo posting sites, social networks, and forums. Some typical Social Media sites include: Facebook, Twitter, LinkedIn, YouTube, Flickr, WordPress and TeacherTube. This policy is not limited to these specific sites, but applies to all Social Media.

Staff members are encouraged to incorporate the use of Social Media into curriculum and District programs to enhance instruction, engage students in learning, model the appropriate and responsible use of Social Media, and inform students about school-related activities. Staff member use of Social Media in the educational environment including, but not limited to, use associated with curriculum, sports teams, extra-curricular organizations and activities, clubs, or any other District-related programs or business, is subject to the following rules and guidelines.

Staff members are responsible for monitoring student use of Social Media that has been incorporated into curriculum in order to promote and evaluate the instructional or educational purpose and ensure compliance with the District's Social Media Policy for Students.

When using Social Media within the educational environment, students and staff members must identify themselves by their full legal names and District titles. All content associated with staff use of Social Media within the educational environment must be consistent with the District's goals and professional standards.

Social media use must not interfere with the educational environment for students, or with job duties or responsibilities of staff members.

Staff members should not communicate with current District students through Social Media sites which are personal to staff members or students, do not have an instructional or educational purpose, and / or do not communicate relevant information about school-related activities. Staff members should be mindful about maintaining appropriate professional boundaries with students, and students with staff.

Communications through Social Media are not private. Consequently, staff and students must ensure they are not sharing confidential information concerning District staff, students, or families. Social Media may not be used to publish student information including, but not limited to, names, assignments, grades, attendance data, photographs, videos, or other likenesses,

without permission of the student's parent or guardian.

Students and staff members are responsible for their Social Media use and may be subject to liability if such use is found defamatory, harassing, discriminatory, threatening, or in violation of any applicable law, policy, or regulation.

Student and staff use of Social Media within the educational environment is an opportunity and not a right. As such, staff use of Social Media shall be contingent upon the District's Employee Acceptable Use Policy (Board Policy 4112.7 and its Administrative Regulation, 4112.7.AR-1

**H. Employee Acknowledgement**

All employees of SDUHSD who have access to District technology will be required to annually acknowledge that they have received this administrative regulation, read it and accepted the guidelines.

**EMPLOYEE  
ACCEPTABLE USE CONTRACT**

*I have received, read and accept the guidelines in the Employee Acceptable Use Policy.*

\_\_\_\_\_  
*Print Full Name*

\_\_\_\_\_  
*Dept./Site*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date*

## PERSONNEL

4100

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### **CERTIFICATED PERSONNEL**

The Governing Board recognizes that teachers and other certificated personnel work closely with students in carrying out the district's educational goals. The Superintendent or designee shall ensure that the duties, responsibilities, and district's expectations for certificated positions are clearly defined and made known to each member of the certificated staff.

Each certificated staff member shall be held accountable for duties assigned to him/her and shall undergo regular performance evaluations in accordance with law and negotiated agreements.

The Board strongly encourages certificated staff to continually improve their skills and pursue excellence within their profession.

Policies, rules and regulations related to certificated personnel shall be available to all concerned and shall be administered in a fair and equitable manner.

#### **LEGAL REFERENCE:**

##### **EDUCATION CODE**

90 Definition, certificated and certified  
44006 Certificated person

##### **GOVERNMENT CODE**

3543.2 Scope of representation

**PERSONNEL****4111; 4211; 4311****RECRUITMENT AND SELECTION**

The Governing Board is committed to employing suitable, qualified individuals to carry out the district's mission to provide high-quality education to its students and to ensure the efficiency of district operations.

The Superintendent or designee shall develop fair, open, and transparent recruitment and selection processes and procedures which ensure that individuals are selected based on demonstrated knowledge, skills, and competence and not on any bias, personal preference, or unlawful discrimination.

When a vacancy occurs, the Superintendent or designee shall review the job description for the position to ensure that it accurately describes the major functions and duties of the position. He/she also shall disseminate job announcements to ensure a wide range of candidates.

With Board approval, the Superintendent or designee may provide incentives to recruit teachers, administrators, or other employees to work in low-performing schools or in hard-to-fill positions.

The district's selection procedures shall include screening processes, interviews, observations, and recommendations from previous employers as necessary to identify the best possible candidate for a position. The Superintendent or designee may establish an interview committee, as appropriate, to rank candidates and recommend finalists. All discussions and recommendations shall be confidential in accordance with law.

During job interviews, applicants may be asked to describe or demonstrate how they will be able to perform the duties of the job. No inquiry shall be made with regard to any category of discrimination prohibited by state or federal law.

For each position, the Superintendent or designee shall present to the Board one candidate who meets all qualifications established by law and the Board for the position. No person shall be employed by the Board without the recommendation or endorsement of the Superintendent or designee.

**LEGAL REFERENCE:****EDUCATION CODE**

- 200-262.4 Prohibition of discrimination
- 41530-41533 Professional Development Block Grant
- 44066 Limitations on certification requirement
- 44259 Teaching credential; exception; designated subjects; minimum requirements
- 44735 Teaching as a Priority block grant
- 44740-44741 Personnel management assistance teams
- 44750 Teacher recruitment resource center
- 44830-44831 Employment of certificated persons
- 44858 Age or marital status in certificated positions

## PERSONNEL

4111; 4211; 4311

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44859 Prohibition against certain rules and regulations re: residency  
45103-45139 Employment (classified employees)  
49406 Examination for tuberculosis

### GOVERNMENT CODE

815.2 Liability of public entities and public employees  
12900-12996 Fair Employment and Housing Act, including:  
12940-12956 Discrimination prohibited; unlawful practices

### UNITED STATES CODE, TITLE 8

1324a Unlawful employment of aliens  
1324b Unfair immigration related practices

### UNITED STATES CODE, TITLE 42

2000d-2000d-7 Title VI, Civil Rights Act of 1964  
2000e-2000e-17 Title VII, Civil Rights Act of 1964 as amended  
2000h-2-2000h-6 Title IX, 1972 Education Act Amendments  
12101-12213 Americans with Disabilities Act

### CODE OF FEDERAL REGULATIONS, TITLE 28

35.101-35.190 Americans with Disabilities Act

### COURT DECISIONS

C.A. v William S. Hart Union High School District et al., (2012) 138 Cal.Rptr.3d 1

### MANAGEMENT RESOURCES:

#### WEB SITES

California Department of Fair Employment and Housing: <http://www.dfeh.ca.gov>  
Education Job Opportunities Information Network: <http://www.edjoin.org>  
Teach USA: <http://www.calteach.org>  
U.S. Equal Employment Opportunity Commission: <http://www.eeoc.gov>



## PERSONNEL

4111.2; 4211.2; 4311.2

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### LEGAL STATUS REQUIREMENT

The Governing Board shall ensure that the district employs only those individuals who are lawfully authorized to work in the United States.

The Superintendent or designee shall verify the employment eligibility of all persons hired by completing the U.S. Citizenship and Immigration Services Form I-9, Employment Eligibility Verification, for each individual hired and ensure that the district does not knowingly hire or continue to employ any person not authorized to work in the United States.

In accordance with law, the Superintendent or designee shall ensure that district employment practices do not unlawfully discriminate on the basis of citizenship status or national origin, including, but not limited to, discrimination against any refugees, grantees of asylum, or persons qualified for permanent or temporary residency.

### LEGAL REFERENCE:

UNITED STATES CODE, TITLE 8

1324a Unlawful employment of aliens

1324b Unfair immigrant-related employment practices

CODE OF FEDERAL REGULATIONS, TITLE 8

274a.1-274a.14 Control of Employment of Aliens

### MANAGEMENT RESOURCES:

U.S. CITIZENSHIP AND IMMIGRATION SERVICES PUBLICATIONS

Handbook for Employers: Instructions for Completing Form I-9, April 2009

WEB SITES

U.S. Citizenship and Immigration Services: <http://www.uscis.gov>

**PERSONNEL****4111.2/AR-1; 4211.2/AR-1; 4311.2/AR-1**

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**LEGAL STATUS REQUIREMENT**

Within three business days of hire, the Superintendent or designee shall physically examine the documentation presented by the employee establishing his/her identity and employment authorization as set forth in U.S. Citizenship and Immigration Services Form I-9. The employee may present either an original document which establishes both employment authorization and identity or two separate original documents which establish authorization and identity. Only unexpired documents are acceptable.

The Superintendent or designee shall:

1. Ensure that the documents presented appear to be genuine and relate to the individual
2. Complete the "Employer Review and Verification" section and sign the attestation with a handwritten signature or electronic signature on Form I-9.

Persons employed for three business days or less must provide such documentation on their first day. If unable to provide satisfactory documentation because the document was lost, stolen, or damaged, the employee shall furnish a receipt indicating that a replacement document has been requested. This receipt must be presented within three business days of hire, and the replacement document must be provided within 90 days of the hire.

If an individual's employment authorization expires, the Superintendent or designee must reverify Form I-9, by noting the document's identification number and expiration date on the form, no later than the date the work authorization expires. The employee shall present a document that shows either continuing employment authorization or a grant of work authorization.

The district shall retain an individual's Form I-9 for three years after the date of hire or for one year after the date his/her employment is terminated, whichever is later.

The Superintendent or designee shall copy documents presented by an individual for verification and shall retain them with the individual's Form I-9. The documents shall be kept confidential and used only as needed to help justify the district's past decision to accept the documents as valid.

**PERSONNEL****4112/AR; 4212/AR****APPOINTMENT AND CONDITIONS OF EMPLOYMENT**

Upon recommendation from the Superintendent or designee, the Governing Board shall approve the appointment of all certificated personnel. The position and the salary classification shall be reported to the Board at a regular meeting.

Individuals appointed to the certificated staff shall:

1. Possess the appropriate certification qualifications and register the certification document in accordance with law and Board policy (Education Code 44250-44279, 44330)
2. Demonstrate proficiency in basic skills as required by law and Board policy
3. When required by the federal No Child Left Behind Act for teachers of core academic subjects, possess the qualifications of "highly qualified" teachers as defined in law, Board policy and administrative regulations
4. Submit to fingerprinting as required by law
5. Not have been convicted of a violent or serious felony as defined in Penal Code 667.5 or 1192.7, unless the individual has received a certificate of rehabilitation and pardon
6. Not have been convicted of any sex offense as defined in Education Code 44010
7. Not have been required to register as a sex offender pursuant to Penal Code 290 because of a conviction for a crime where the victim was a minor under the age of 16
8. Not have been determined to be a sexual psychopath pursuant to Welfare and Institutions Code 6300-6332
9. Not have been convicted of any controlled substance offense as defined in Education Code 44011
10. Submit to a physical examination, tuberculosis testing and/or provide a medical certificate as required by law and Board policy
11. Submit to drug and alcohol testing as required by Board policy
12. Furnish a statement of military service and, if any was rendered, a copy of the discharge or release from service or, if no such document is available, other suitable evidence of the termination of service (Education Code 44838)
13. File the oath or affirmation of allegiance required by Government Code 3100-3109
14. Fulfill any other requirements as specified by law, collective bargaining agreement, Board policy or administrative regulation

## PERSONNEL

4112/AR; 4212/AR

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### LEGAL REFERENCE:

#### EDUCATION CODE

35161 Powers and duties  
44008 Effect of termination of probation  
44009 Conviction of specified crimes; definitions  
44010 Sex offense  
44011 Controlled substance offense  
44066 Limitation on certification requirements  
44250-44277 Credential types  
44330 Effect of registration of certification document  
44830.1 Felons; certificated positions; criminal record summary; fingerprints  
44836 Employment of person convicted of sex offenses or controlled substance offenses  
44837 Employment of sexual sociopath  
44838 Statement of military service  
44839 Medical certificate  
44839.5 Medical certificate for retirant  
49406 Examination for tuberculosis

#### GOVERNMENT CODE

3100-3109 Oaths or affirmations of allegiance for disaster service workers and public employees  
12940-12950 Unlawful employment practices

#### PENAL CODE

290 Registration of sex offenders  
290.95 Disclosure by persons required to register as sex offenders  
667.5 Prior prison terms, enhancement of prison terms  
1192.7 Plea bargaining limitation

#### WELFARE AND INSTITUTIONS CODE

6300-6332 Sexual psychopaths

#### CODE OF REGULATIONS, TITLE 5

6100-6125 Teacher qualifications, No Child Left Behind Act

#### UNITED STATES CODE, TITLE 20

6319 Highly qualified teachers  
7801 Definitions, highly qualified teacher

#### CODE OF FEDERAL REGULATIONS, TITLE 34

200.55-200.57 Highly qualified teachers

**PERSONNEL****4112.2****CERTIFICATION**

The Governing Board recognizes that the district's ability to provide a high-quality educational program is dependent upon the employment of certificated staff that is adequately prepared and has demonstrated proficiency in basic skills and in the subject matter to be taught. The Superintendent or designee shall ensure that persons employed to fill positions requiring certification qualifications possess the appropriate credential, permit, or other certification document from the Commission on Teacher Credentialing (CTC) and fulfill any additional state, federal, or district requirements for the position.

The Superintendent or designee may provide assistance and support to teachers holding preliminary credentials to help them meet the qualifications required for the clear credential.

**PRIORITIES FOR HIRING BASED ON UNAVAILABILITY OF CREDENTIALLED TEACHER**

The Superintendent or designee shall make reasonable efforts to recruit a fully prepared teacher for each assignment. Whenever a teacher with a clear or preliminary credential is not available, the Superintendent or designee shall make reasonable efforts to recruit an individual for the assignment in the following order:

1. A candidate who is qualified to participate in and enrolls in an approved intern program in the region of the district
2. A candidate who is scheduled to complete preliminary credential requirements within six months and who holds a provisional internship permit (PIP) or short-term staff permit issued by the CTC

The Board shall approve, as an action item at a public Board meeting, a notice of its intent to employ a PIP applicant for a specific position.

3. As a last resort, an individual who holds an emergency permit issued by the CTC or for whom a credential waiver has been granted by the CTC

Prior to requesting that the CTC issue an emergency permit pursuant to item #3 above or a limited assignment permit which allows a fully credentialed teacher to teach outside of his/her area of certification while working toward an added or supplementary authorization, the Board shall annually approve a Declaration of Need for Fully Qualified Educators. The Declaration of Need shall be approved by the Board as an action item at a regularly scheduled public Board meeting, with the entire Declaration of Need being included in the Board agenda.

The Declaration of Need shall certify that there is an insufficient number of certificated persons who meet the districts specified employment criteria for the position(s) and that the district has made reasonable efforts to recruit individuals who meet the qualifications specified in items #1-2 above.

**PERSONNEL****4112.2**

The Declaration of Need shall also indicate the number and type of emergency permits that the district estimates it will need during the valid period of the Declaration of Need, based on the previous year's actual needs and projections of enrollment. Whenever the actual number of permits needed exceeds the estimate by 10 percent, the Board shall revise and resubmit the Declaration of Need.

Whenever it is necessary to employ noncredentialed teachers to fill a position requiring certification qualifications, the Superintendent or designee shall provide support and guidance in accordance with law to ensure the quality of the instructional program.

**LEGAL REFERENCE:****EDUCATION CODE**

8360-8370 Qualifications of child care personnel  
32340-32341 Unlawful issuance of a credential  
35186 Complaints regarding teacher vacancy or misassignment  
44066 Limitations on certification requirements  
44200-44399.1 Teacher credentialing, especially:  
44250-44277 Credential types; minimum requirements  
44300-44302 Emergency permit  
44325-44328 District interns  
44330-44355 Certificates and credentials  
44420-44440 Revocation and suspension of credentials  
44450-44468 University intern program  
44830-44929 Employment of certificated persons; requirement of proficiency in basic skills  
56060-56063 Substitute teachers in special education

**CODE OF REGULATIONS, TITLE 5**

6100-6126 Teacher qualifications, No Child Left Behind Act  
80001-80674.6 Commission on Teacher Credentialing

**UNITED STATES CODE, TITLE 20**

6319 Highly qualified teachers  
7801 Definitions, highly qualified teacher

**CODE OF FEDERAL REGULATIONS, TITLE 34**

200.55-200.57 Highly qualified teachers  
200.61 Parent notification regarding teacher qualifications

**COURT DECISIONS**

Association of Mexican-American Educators et al. v. State of California and the Commission on Teacher Credentialing, (1993) 836 F.Supp. 1534

## PERSONNEL

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4112.2

### MANAGEMENT RESOURCES:

#### COMMISSION ON TEACHER CREDENTIALING PUBLICATIONS

CL-667 Basic Skills Requirement

CL-856 Provisional Internship Permit

CL 858 Short-Term Staff Permit

13-01 Hiring Hierarchy in Education Code 44225.7, Coded Correspondence, January 30, 2013

Subject Matter Authorization Guideline Book, 2012

Supplementary Authorization Guideline Book, 2012

California Standards for the Teaching Profession, 2009

The Administrator's Assignment Manual, rev. September 2007

#### WEB SITES

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

Commission on Teacher Credentialing: <http://www.ctc.ca.gov>

Commission on Teacher Credentialing, Credential Information Guide (for employers' use only):

<http://www.ctc.ca.gov/credentials/cig>

National Board for Professional Teaching Standards: <http://www.nbpts.org>

U.S. Department of Education: <http://www.ed.gov>

**PERSONNEL****4112.2/AR-1**

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**CERTIFICATION****VERIFICATION OF CREDENTIALS**

The Superintendent or designee shall verify that each employee in a position requiring certification qualifications possesses a valid certification document issued by the Commission on Teacher Credentialing (CTC). Such verification shall occur not later than 60 days after the commencement of employment or the renewal of a credential.

The Superintendent or designee shall maintain records of the appropriate certification of all employees serving in certificated positions.

**BASIC SKILLS PROFICIENCY**

The district shall not initially hire a person in a position requiring certification, on a permanent, temporary, or substitute basis, unless that person has demonstrated basic skills proficiency in reading, writing, and mathematics or is specifically exempted from the requirement by law.

The district may hire a certificated employee who has not taken a test of basic skills proficiency if he/she has not yet been afforded the opportunity to take the test, provided that he/she takes the test at the earliest opportunity. The employee may remain employed by the district pending the receipt of his/her test results.

An out-of-state prepared teacher shall meet the basic skills requirement within one year of being issued a California preliminary credential by the CTC unless he/she has completed a basic skills proficiency test in another state or is otherwise exempted by law. The district shall develop a basic skills proficiency test, which shall be at least equivalent to the district test required for high school graduation, for purposes of assessing out-of-state prepared teachers pending completion of the basic skills requirement.

**SHORT TERM STAFF PERMIT**

The district may request that the CTC issue a short-term staff permit (STSP) to a qualified applicant whenever there is a need to immediately fill a classroom based on unforeseen circumstances, including, but not limited to:

1. Enrollment adjustments requiring the addition of another teacher
2. Inability of the teacher of record to finish the school year due to approved leave or illness
3. The applicant's need for additional time to complete pre-service requirements for enrollment into an approved intern program
4. Inability of the applicant to enroll in an approved intern program due to timelines or lack of space in the program



**PERSONNEL****4112.2/AR-1**

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5. Unavailability of a third-year extension of an intern program or the applicant's withdrawal from an intern program

The Superintendent or designee shall ensure that the applicant possesses a bachelor's or higher degree from a regionally accredited college or university, has met the basic skills proficiency requirement unless exempted by state law or regulations, and has satisfied the coursework/experience requirements specified in 5 CCR 80021 for the multiple subject, single subject, or education specialist STSP as appropriate.

When requesting issuance of an STSP, the Superintendent or designee shall submit to the CTC:

1. Verification that the district has conducted a local recruitment for the permit being requested
2. Verification that the district has provided the permit holder with orientation to the curriculum and to instruction and classroom management techniques and has assigned a mentor teacher for the term of the permit
3. Written justification for the permit signed by the Superintendent or designee

The holder of an STSP may be assigned to provide the same service as a holder of a multiple subject, single subject, or education specialist credential in accordance with the authorizations specified on the permit.

**PROVISIONAL INTERNSHIP PERMIT**

Before requesting that the CTC issue a provisional internship permit (PIP), the district shall conduct a diligent search for a suitable credentialed teacher or intern, including, but not be limited to, distributing job announcements, contacting college and university placement centers, and advertising in print or electronic media.

Whenever a suitable credentialed teacher cannot be found after a diligent search, the Superintendent or designee may request that the CTC issue a PIP to an applicant who possesses a bachelor's or higher degree from a regionally accredited college or university, has met the basic skills proficiency requirement unless exempted by state law or regulations, and has satisfied the coursework/experience requirements specified in 5 CCR 80021.1 for the multiple subject, single subject, or education specialist PIP as appropriate.

When submitting the request for a PIP, the district shall provide verification of all of the following:

1. A diligent search has been conducted for a suitable credentialed teacher or suitable qualified intern as evidenced by documentation of the search.
2. Orientation, guidance, and assistance shall be provided to the permit holder as specified in 5 CCR 80026.5.

**PERSONNEL****4112.2/AR-1**

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The orientation shall include, but not be limited to, an overview of the curriculum the permit holder is expected to teach and effective instruction and classroom management techniques at the permit holder's assigned level. The permit holder also shall receive guidance and assistance from an experienced educator who is a certificated district employee or a certificated retiree from a California district or county office of education and who has completed at least three years of full-time classroom teaching experience.

3. The district shall assist the permit holder in developing a personalized plan through a district-selected assessment that would lead to subject-matter competence related to the permit.
4. The district shall assist the permit holder to seek and enroll in subject-matter training, such as workshops or seminars and site-based courses, along with training in test-taking strategies, and shall assist the permit holder in meeting the credential subject-matter competence requirement related to the permit.
5. A notice of intent to employ the applicant in the identified position has been made public.

The district shall submit a copy of the agenda item presented at a public Governing Board meeting which shall state the name of the applicant, the assignment in which the applicant will be employed including the name of the school, subject(s), and grade(s) that he/she will be teaching, and that the applicant will be employed on the basis of a PIP. The district also shall submit a signed statement from the Superintendent or designee that the agenda item was acted upon favorably.

6. The candidate has been apprised of steps to earn a credential and enroll in an intern program.

The holder of a PIP may be assigned to provide the same service as a holder of a multiple subject, single subject, or education specialist credential in accordance with the authorizations specified on the permit.

**LONG-TERM EMERGENCY PERMITS**

As necessary, the Superintendent or designee may request that the CTC issue an emergency resource specialist permit, emergency teacher librarian services permit, emergency cross-cultural language and academic development permit, or emergency bilingual authorization permit.

The Superintendent or designee shall provide any first-time recipient of an emergency teaching permit with an orientation which, to the extent reasonably feasible, shall occur before he/she begins a teaching assignment. The Superintendent or designee may vary the nature, content, and duration of the orientation to match the amount of training and experience previously completed by the emergency permit teacher. The orientation shall include, but not be limited to, the curriculum the teacher is expected to teach and effective techniques of classroom instruction and classroom management at the assigned grade-level span.

**PERSONNEL****4112.2/AR-1**

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The emergency permit holder also shall receive guidance and assistance from an experienced educator who is a certificated district employee or a certificated retiree from a California district or county office of education and who has completed at least three years of full-time classroom teaching experience.

**EMERGENCY SUBSTITUTE TEACHING PERMITS**

For day-to-day substitute teaching at any grade level, the district may employ a person with an emergency substitute permit issued by the CTC, provided that:

1. A person holding an emergency 30-day substitute teaching permit, or any valid teaching or services credential that requires at least a bachelor's degree and completion of the CBEST, shall not serve as a substitute for more than 30 days for any one teacher during the school year. He/she shall not serve as a substitute in a special education classroom for more than 20 days for any one teacher during the school year.
2. A person with an emergency career substitute teaching permit shall not serve as a substitute for more than 60 days for any one teacher during the school year.
3. A person with an emergency substitute teaching permit for prospective teachers shall not serve as a substitute for more than 30 days for any one teacher during the school year and not more than 90 days total during the school year.
4. A person with an emergency designated subjects 30-day substitute teaching permit for career technical education shall teach only in a program of technical, trade, or vocational education and not serve as a substitute for more than 30 days for any one teacher during the school year.

Before employing a person with an emergency substitute permit pursuant to item #1 or 4 above, the Superintendent or designee shall prepare and keep on file a signed Statement of Need for the school year. The Statement of Need shall describe the situation or circumstances that necessitate the use of a 30-day substitute permit holder and state either that a credentialed person is not available or that the available credentialed person does not meet the districts specified employment criteria.

**PERSONNEL****4112.22/AR**

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**STAFF TEACHING ENGLISH LANGUAGE LEARNERS****DEFINITIONS**

English learner means a student who does not speak English or whose native language is not English and who is not currently able to perform ordinary classroom work in English.

Instruction for English language development (ELD) means instruction designed specifically for English learners to develop their listening, speaking, reading, and writing skills in English.

Specially designed academic instruction in English (SDAIE) means instruction in a subject area, delivered in English that is specially designed to meet the needs of English learners.

Primary language instruction includes both primary language development designed to develop English learners' listening, speaking, reading, and writing skills in their primary language and content instruction delivered in the primary language in any subject area.

**TEACHER QUALIFICATIONS**

The Superintendent or designee shall ensure that any teacher with one or more English learners in his/her class possesses an English learner authorization issued by the Commission on Teacher Credentialing (CTC) authorizing ELD and/or SDAIE, as appropriate. A teacher possessing a bilingual authorization may be assigned to provide ELD, SDAIE, and/or primary language instruction.

A teacher with designated subjects teaching credential or a service credential with a special class authorization may enroll in a CTC-approved staff development program and, upon successful completion, may apply to the CTC for a Certificate of Completion of Staff Development authorizing instruction in SDAIE.

**LEGAL REFERENCE:****EDUCATION CODE**

306 Definition, English learner

44253.1-44253.11 Certification for bilingual-crosscultural competence

44258.9 County superintendent review of teacher assignments

44259.5 Standards for teachers of all students, including English language learners

44380-44386 Alternative certification

44856 Employment of teachers from foreign countries

52160-52178 Bilingual-Bicultural Act of 1976

62001-62005. 5 Evaluation and sunseting of programs

**CODE OF REGULATIONS, TITLE 5**

6100-6125 Teacher qualifications, No Child Left Behind Act

80015 Requirements for the CLAD certification or English learner authorization

## PERSONNEL

4112.22/AR

80015.1-80015.4 Requirements for CLAD, English learner authorization or bilingual authorization  
80021 Short-Term Staff Permit  
80021.1 Provisional Internship Program  
80024.7-80024.8 Emergency CLAD and bilingual permits

### UNITED STATES CODE, TITLE 20

6319 Highly qualified teachers  
6601-6651 Training and recruiting high-quality teachers  
6801-7014 Language instruction for English learners and immigrant students  
7801 Definitions, highly qualified teacher

### CODE OF FEDERAL REGULATIONS, TITLE 34

200.55-200.57 Highly qualified teachers

### COURT DECISIONS

Teresa P. et al v. Berkeley Unified School District et al (1989) 724 F.Supp. 698

### MANAGEMENT RESOURCES:

#### COMMISSION ON TEACHER CREDENTIALING PUBLICATIONS

CL-622 Serving English Learners, December 2010  
CL-626B Bilingual Authorizations, November 2010  
CL-626C Crosscultural, Language and Academic Development (CLAD) Certificate, November 2010  
CL-568 The Sojourn Certificated Employee Credential, August 2009

#### WEB SITES

CSBA: <http://www.csba.org>  
California Association for Bilingual Education: <http://www.bilingualeducation.org>  
California Department of Education, English Learners: <http://www.cde.ca.gov/sp/el>  
California Teachers of English to Speakers of Other Languages: <http://www.catesol.org>  
Commission on Teacher Credentialing: <http://www.ctc.ca.gov>  
U.S. Department of Education: <http://www.ed.gov>

## PERSONNEL

4112.23/AR

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### SPECIAL EDUCATION STAFF

#### QUALIFICATIONS/ASSIGNMENT OF SPECIAL EDUCATION TEACHERS

Any teacher assigned to serve students with disabilities shall possess an appropriate credential or other authorization that specifically authorizes him/her to teach students with that primary disability within the program placement recommended in the students' individualized education programs (IEP).

Special education teachers who teach core academic subjects shall possess the qualifications required by the No Child Left Behind Act.

The Superintendent or designee may request the Commission on Teacher Credentialing (CTC) to issue a special education limited assignment teaching permit to authorize a qualified special education teacher, with his/her written consent, to serve outside the specialty area of his/her credential. In so doing, the district shall submit a Declaration of Need for Fully Qualified Educators that satisfies the requirements of 5 CCR 80026. If the teacher has not yet obtained permanent status, the Superintendent or designee shall assign one or more experienced educators in the special education subject area(s) of the permit, who have at least three years of full-time teaching experience in each of the subject area(s) of the permit, to provide guidance and assistance to the permit holder.

#### RESOURCE SPECIALISTS

The district's resource specialist program shall provide, but not be limited to:

1. Resource specialist(s) to provide instruction and services for students whose needs have been identified in their IEPs and who are assigned to regular classroom teachers for a majority of the school day

A student shall not be enrolled in a resource specialist program for a majority of a school day without approval by the student's IEP team.

2. Information and assistance for students with disabilities and their parents/guardians
3. Consultation, resource information, and material regarding students with disabilities to their parents/guardians and regular education staff members
4. Coordination of special education services with the regular school program for each student with disabilities enrolled in the resource specialist program
5. Monitoring of student progress on a regular basis, participation in the review and revision of IEPs as appropriate, and referral of students who do not demonstrate sufficient progress to the IEP team

## PERSONNEL

4112.23/AR

6. At the secondary school level, emphasis on academic achievement, career and vocational development, and preparation for adult life

Resource specialists shall not simultaneously be assigned to serve as resource specialists and to teach regular classes.

The district's resource specialist program shall be under the direction of a resource specialist who possesses the qualifications specified in Education Code 56362 and 5 CCR 80070.8.

### TEACHERS OF STUDENTS WITH AUTISM

A teacher may be assigned to provide instruction to students with autism if he/she meets the qualifications described above in the section entitled "Qualifications/Assignment of Special Education Teachers."

### CASELOADS

The Superintendent or designee shall ensure that caseloads for special education teachers are within the maximum caseloads established by law, the collective bargaining agreement, and/or the comprehensive plan of the Special Education Local Plan Area (SELPA) in which the district participates.

No resource specialist shall have a caseload which exceeds 28 students. As necessary and with the agreement of the resource specialist, the Board may request a waiver from the State

Board of Education to increase the caseload to no more than 32 students, provided that an individual resource specialist does not have a caseload exceeding 28 students for more than two school years and has the assistance of an instructional aide at least five hours daily during the period of the waiver.

The average caseload for language, speech, and hearing specialists shall not exceed 55 cases unless otherwise specified and reasons stated in the SELPA plan.

### LEGAL REFERENCE:

#### EDUCATION CODE

- 44250-44279 Credentials, especially:
- 44256 Credential types, specialist instruction
- 44258.9 Assignment monitoring
- 44265-44265.9 Special education credential
- 44325-44328 District interns
- 44830.3 District interns, supervision and professional development
- 56000-56865 Special education, especially:
- 56195.8 Adoption of policies

## PERSONNEL

4112.23/AR

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56361 Program options  
56362-56362.5 Resource specialist program  
56363.3 Maximum caseload; language, speech, and hearing specialists  
56441.7 Maximum caseload; language, speech, and hearing specialists serving children ages 3-5

### CODE OF REGULATIONS, TITLE 5

3051.1 Language, speech and hearing development and remediation; appropriate credential  
3100 Waivers of maximum caseload for resource specialists  
6100-6126 Teacher qualifications, No Child Left Behind Act  
80021 Short-term staffing permit  
80021.1 Provisional internship permit  
80025.4 Substitute teaching, special education  
80026 Declaration of need for fully qualified educators  
80027.1 Special education limited assignment teaching permit  
80046.1 Adapted physical education specialist  
80046.5 Credential holders authorized to serve students with disabilities  
80047-80047.9 Credentials to provide instructional services to students with disabilities  
80048-80048.9.3 Credential requirements and authorizations  
80070.1-80070.8 Resource specialist certificate of competence

### UNITED STATES CODE, TITLE 20

1400-1482 Individuals with Disabilities Education Act, especially:  
1401 Definition of highly qualified special education teacher  
6319 Highly qualified teachers  
7801 Definitions, highly qualified teacher

### CODE OF FEDERAL REGULATIONS, TITLE 34

200.55-200.57 Highly qualified teachers  
300.8 Definition of autism  
300.18 Highly qualified special education teachers  
300.156 Special education personnel requirements

### MANAGEMENT RESOURCES:

#### CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS

Handbook on Developing and Implementing Early Childhood Special Education Programs and Services, 2001

#### COMMISSION ON TEACHER CREDENTIALING CODED CORRESPONDENCE

10-15 Alternative Route to Provide Special Education Services to Students with Autism, September 7, 2010  
10-13 Approval of Title 5 Regulations Pertaining to Special Education Services Credentials, July 21, 2010  
10-12 Approval of Title 5 Regulations Pertaining to Special Education Teaching Credentials Requirements, July 21, 2010



## PERSONNEL

**4112.23/AR**

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09-16 Approval of Additions to Title 5 Regulations Pertaining to Added Authorizations in Special Education, July 23, 2009

09-15 Approval of Amendments to Title 5 Regulations Pertaining to General and Special Education Limited Assignment Teaching Permits, July 23, 2009

08-13 Alternative Route to Provide Special Education Services to Students with Autism Ages Three and 4, October 9, 2008

### COMMISSION ON TEACHER CREDENTIALING PUBLICATIONS

Education Specialist Teaching and Other Related Services Credential Program Standards, September 2010

### WEB SITES

California Association of Resource Specialists and Special Education Teachers: <http://www.carsplus.org>

California Department of Education, Special Education: <http://www.cde.ca.gov/sp/se>

California Speech-Language-Hearing Association: <http://www.csha.org>

Commission on Teacher Credentialing: <http://www.ctc.ca.gov>

**PERSONNEL****4112.24****TEACHER QUALIFICATIONS UNDER THE NO CHILD LEFT BEHIND ACT**

Recognizing the importance of teacher effectiveness in improving student achievement, the Governing Board desires to recruit and hire teachers for core academic subjects who possess the subject matter knowledge and teaching skills required by the federal No Child Left Behind Act (NCLB).

All teachers employed to teach core academic subjects shall be "highly qualified" as defined by federal law and the State Board of Education.

The Superintendent or designee shall inform teachers of NCLB requirements and shall identify additional qualifications, if any, that individual teachers need to demonstrate in order to meet the requirements. He/she shall work with individual teachers to develop a plan for attaining full qualifications.

**LEGAL REFERENCE:****EDUCATION CODE**

44662 Performance evaluation; Stull Act review  
44664 Teacher evaluation; program to improve performance  
44865 Alternative programs  
CODE OF REGULATIONS, TITLE 5  
6100-6126 Teacher qualifications, No Child Left Behind Act  
80021 Short-term staff permit  
80021.1 Provisional internship permit  
80089.3-80089.4 Subject matter authorizations

**UNITED STATES CODE, TITLE 20**

1401 Definition of highly qualified special education teacher  
6311 Parental notifications  
6312 Title I local educational agency plan  
6314 Schoolwide programs  
6315 Targeted assistance schools  
6319 Highly qualified teachers  
7345-7345b Small Rural Schools Achievement Program  
7801 Definitions, highly qualified teacher

**CODE OF FEDERAL REGULATIONS, TITLE 34**

200.55-200.57 Highly qualified teachers  
200.61 Parent notification regarding teacher qualifications  
300.18 Highly qualified special education teachers

**MANAGEMENT RESOURCES:**

CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS  
California's Subject Matter Verification Process for Middle and High School Level Teachers in Special Settings, January 2007  
NCLB Teacher Requirements Resource Guide, March 1, 2004

## PERSONNEL

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**4112.24**

### **COMMISSION ON TEACHER CREDENTIALING PUBLICATIONS**

Standards of Quality and Effectiveness for Professional Teacher Induction Programs, March 2002

Standards of Quality and Effectiveness for Professional Teacher Preparation Programs, September 2001

California Standards for the Teaching Profession, July 1997

### **U.S. DEPARTMENT OF EDUCATION GUIDANCE**

Improving Teacher Quality State Grants, ESEA Title II, Part A, Non-Regulatory Guidance, revised October 5, 2006

New No Child Left Behind Flexibility: Highly Qualified Teachers, Fact Sheet, March 15, 2004

### **WEB SITES**

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

California Department of Education, NCLB Teacher Quality: <http://www.cde.ca.gov/nclb/sr/tq>

Commission on Teacher Credentialing: <http://www.ctc.ca.gov>

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

**PERSONNEL****4112.24/AR-1**

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**TEACHER QUALIFICATIONS UNDER THE NO CHILD LEFT BEHIND ACT****DEFINITIONS**

Core academic subjects include English, reading or language arts, mathematics, science, foreign languages, civics and government, economics, arts, history, and geography.

High Objective Uniform State Standard Evaluation (HOUSSE) is a method of determining a teacher's subject matter competence using forms developed by the California Department of Education (CDE). HOUSSE Part 1 consists of a summation of the teacher's years of experience, coursework, professional development, and service to the profession. HOUSSE Part 2, to be conducted only if Part 1 does not indicate subject matter competency, consists of direct observation and portfolio assessment and, if necessary, completion of the Peer Assistance and Review Program for Teachers or other individualized professional development plan.

Level 1 professional development means training that will provide a teacher with the requisite understanding of each set of state content standards. Level 2 professional development means training that will provide a teacher with more in-depth understanding of the content standards than provided in a Level 1 professional development program. The trainings shall be consistent with state-adopted academic content standards, curriculum frameworks, and adopted texts and shall incorporate the assessment of subject matter competency as outlined in the CDE's document California's Subject Matter Verification Process for Middle and High School Level Teachers in Special Settings. For each type of training, at least 36 hours in the core subject for which the teacher is being certified is required to substantively address the subject matter content.

Teacher new to the profession is a teacher who either graduated from an accredited institution of higher education and received a credential, or was enrolled in or had completed an approved intern program, on or after July 1, 2002.

Teacher not new to the profession is a teacher who either graduated from an accredited institution of higher education and received a credential, or was enrolled in or had completed an approved intern program, before July 1, 2002.

**TEACHER QUALIFICATIONS**

To meet the teacher qualification requirements of the federal No Child Left Behind Act (NCLB), a teacher of a core academic subject shall meet all of the following conditions:

1. Hold a bachelor's degree
2. Hold a full credential or be currently enrolled in an approved intern program for less than three years
3. Demonstrate subject matter competency in accordance with the applicable requirements below

**PERSONNEL****4112.24/AR-1**

A teacher who holds a supplementary authorization or is employed on a local teaching assignment shall meet the teacher qualification requirements of NCLB if he/she holds a California teaching credential and has demonstrated subject matter competency for the grade span and subject matter taught.

A teacher shall not meet the teacher qualification requirements of NCLB if he/she is teaching with a short-term staff permit, a provisional internship permit, or a state or local waiver for the grade or subject taught.

**DEMONSTRATION OF SUBJECT MATTER COMPETENCY**

Subject matter competency shall be demonstrated in accordance with the following requirements based on the grade levels taught and the teacher's length of time in the profession:

1. An elementary teacher who is new to the profession shall pass a validated statewide subject matter examination certified by the Commission on Teacher Credentialing (CTC).
2. An elementary teacher who is not new to the profession shall complete one of the following:
  - a. A validated statewide subject matter examination that the CTC has utilized to determine subject matter competency for credentialing purposes
  - b. The HOUSSE, as defined above, to determine the teacher's subject matter competency in each of the core academic subjects taught by the teacher
3. A middle or high school teacher who is new to the profession shall pass or complete one of the following for every core academic subject currently assigned:
  - a. A validated statewide subject matter examination certified by the CTC
  - b. University subject matter program approved by the CTC
  - c. Undergraduate major in the subject taught
  - d. Graduate degree in the subject taught
  - e. Coursework equivalent to the undergraduate major
4. A middle or high school teacher who is not new to the profession shall pass or complete one of the following for every core subject assigned:
  - a. A validated statewide subject matter examination that the CTC has utilized to determine subject matter competency for credentialing purposes
  - b. University subject matter program approved by the CTC

## PERSONNEL

4112.24/AR-1

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- c. Undergraduate major in the subject taught
  - d. Graduate degree in the subject taught
  - e. Coursework equivalent to the undergraduate major
  - f. Advanced certification or credential, such as certification from the National Board for Professional Teaching Standards
  - g. The HOUSSE, as defined above, to determine the teacher's subject matter competency in each of the core academic subjects taught by the teacher
5. A middle or high school teacher in a hard-to-staff setting, as defined above, shall complete professional development for the subject matter verification process within three years of the date of assignment to such a setting.
- a. If the teacher has fewer than 20 total or 10 upper division nonremedial college-level semester units, or equivalent quarter units, in a core academic subject, he/she shall complete both Level 1 and Level 2 professional development courses as defined above.
  - b. If the teacher has fewer than 32 semester nonremedial college-level units, but at least 20 total or 10 upper division nonremedial semester units, or the equivalent quarter units, in a core academic subject, he/she shall complete a Level 2 professional development course.
6. An elementary, middle, or high school special education teacher teaching multiple subjects exclusively to students with disabilities may either:
- a. Meet the requirements above for teachers who are new or not new to the profession, as applicable
  - b. In the case of a new special education teacher who has demonstrated subject matter competency in mathematics, language arts, or science, demonstrate competency in the other core academic subject(s) he/she teaches through the HOUSSE no later than two years after the date of employment

### SATISFACTION OF REQUIREMENTS OUTSIDE DISTRICT

A teacher who has been determined by another district in California to have met the teacher qualification requirements for the grade level and/or subject taught shall not be required to demonstrate again that he/she meets those requirements.

A teacher who has been determined to meet subject matter competency requirements outside of California shall be considered to have met those requirements for the particular subject and/or grade span in California. The date of issuance of a valid out-of-state credential shall be used to identify a teacher as new or not new to the profession.

## PERSONNEL

**4112.24/AR-1**

A teacher prepared in a country other than the United States shall be considered to have met NCLB teaching requirements if he/she:

1. Holds a degree from a foreign college or university that is at least equivalent to a bachelor's degree offered by an American institution of higher education
2. Has completed a teacher preparation program that meets CTC requirements for out-of-country trained teachers
3. Demonstrates subject matter competency for the grade span and subjects taught through the same or equivalent processes and methods required of California teachers
4. Holds a California teaching credential

### **CERTIFICATION OF COMPLIANCE**

All teachers teaching core academic subjects shall complete and sign a certificate of compliance with NCLB requirements and attach appropriate documentation. The Superintendent or designee shall verify the information and retain the signed original copy.

The principal of each school receiving Title I funds shall annually attest in writing as to whether the school is in compliance with NCLB requirements related to teacher qualifications. Copies of the attestation shall be maintained at the school and at the district office and shall be available to any member of the public upon request.

### **DISTRICT PLAN FOR HIGHLY QUALIFIED TEACHERS**

The Superintendent or designee shall provide timely notice to individual parents/guardians of students attending a Title I school whenever their child has been assigned to or has been taught for four or more consecutive weeks by a teacher of a core academic subject who does not meet NCLB teacher qualification requirements.

The Superintendent or designee shall notify teachers, as appropriate, prior to distributing the above notice to parents/guardians.

The notice and information provided to parents/guardians shall be in an understandable and uniform format and, to the extent practicable, be provided in a language that the parents/guardians can understand.

**PERSONNEL****4112.3/AR; 4212.3/AR; 4312.3/AR**

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**OATH OR AFFIRMATION**

This oath or affirmation is different from the oath or affirmation required of certificated employees as a licensing requirement pursuant to Education Code 44334, in which credential candidates must affirm that they support the Constitution of the United States of America, the Constitution of the State of California, and the laws of the United States and the State of California. Thus, the district should require all employees to take the oath or affirmation required by Government Code 3100-3102.

The California Constitution requires that Board members take the same oath; see BB 9224 - Oath or Affirmation.

All district employees are declared by law to be disaster service workers and thus shall take the oath or affirmation required for disaster service workers before beginning employment with the district. In the event of natural, manmade or war-caused emergencies which result in conditions of disaster or extreme peril to life, property and resources, all district employees are subject to disaster service activities as assigned to them by their supervisors or by law.

Legally employed noncitizens shall be exempt from taking this oath.

At the advice of legal counsel, the Superintendent or designee may exempt an employee from taking the oath if he/she raises a valid religious objection.

The Superintendent, deputy or assistant superintendent, principal or other person authorized in Education Code 60 shall administer the oath or affirmation when a district employee is hired.

In the case of intermittent, temporary, emergency or successive employments, the Superintendent or designee may determine that the oath shall be effective for all successive periods of employment which begin within one calendar year from the date that the oath was subscribed.

The Superintendent or designee shall file the executed oath or affirmation within 30 days of the date on which it is taken and subscribed. An employee's oath or affirmation may be destroyed five years after the termination of employment.

**REIMBURSEMENT OF EXPENSES FOR DISASTER SERVICE WORKERS**

Whenever an employee seeks compensation or reimbursement of expenses as a disaster service worker, the Superintendent or designee shall ascertain and certify that the employee has taken the oath or affirmation.

**LEGAL REFERENCE:****EDUCATION CODE**

60 Persons authorized to administer and certify oaths

44334 Oath or affirmation required for credential

44354 Administration of oath required for credential



## PERSONNEL

**4112.3/AR; 4212.3/AR; 4312.3/AR**

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### **GOVERNMENT CODE**

3100-3109 Oath or affirmation of allegiance

### **CALIFORNIA CONSTITUTION**

Article 20, Section 3 Oath of office

### **COURT DECISIONS**

Chilton v. Contra Costa Community College District 55 Cal. App. 3d 544 (1976)

Vogel v. County of Los Angeles (1967) 68 Cal. 2d 18, 22

**PERSONNEL**

**4112.3/AR, 4212.3/AR, 4312.3/AR, Exhibit A**

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**OATH OR AFFIRMATION  
FOR PERSONS EMPLOYED BY A  
SCHOOL DISTRICT IN THE STATE OF CALIFORNIA**

**STATE OF CALIFORNIA  
COUNTY OF SAN DIEGO**

I, \_\_\_\_\_, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

I understand that as a public employee I am a disaster service worker pursuant to Government Code 3100 and 3102 and that I am required to take this oath before entering the duties of my employment. In the event of natural, manmade or war-caused emergencies which result in conditions of disaster or extreme peril to life, property and resources, I am subject to disaster services activities assigned to me by my supervisor.

**EMPLOYEE  
SIGNATURE** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**AUTHORIZED  
OFFICIAL** \_\_\_\_\_ **DATE:** \_\_\_\_\_  
San Dieguito Union High School District

**California Constitution Article 20, Section 3  
Government Code 3100-3102**

**PERSONNEL****4112.4/AR; 4212.4/AR; 4312.4/AR**

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**HEALTH EXAMINATIONS****TUBERCULOSIS TESTS**

No applicant shall be initially employed in a classified or certificated position unless, within the past 60 days, he/she has submitted to an intradermal tuberculin skin test or other approved tuberculin test and, if that test was positive, has subsequently obtained an x-ray of the lungs. The applicant shall submit to the district a certificate signed by an authorized health care provider indicating that he/she is free of active tuberculosis.

The cost of the pre-employment tuberculosis examination shall be paid by the applicant.

An applicant who was previously employed in another California school district or private or parochial school may fulfill the tuberculosis examination requirement either by producing a certificate showing that he/she was examined within the last four years and found to be free of active tuberculosis or by having his/her previous employer verify that it has on file a certificate which contains that evidence.

Every district employee who tests negative shall undergo a tuberculosis examination at least once every four years, or more often if so directed by the Governing Board upon recommendation of the county health officer, for as long as the employee's test remains negative. An employee with a documented positive test for tuberculosis infection shall no longer be required to submit to the examination but shall be referred to the county health officer within 30 days of the examination to determine the need for follow-up care.

Tuberculosis tests for employees shall be provided by the district or at district expense.

If an employee's religious belief prevents him/her from undergoing a tuberculosis examination, the employee shall file an affidavit stating that he/she adheres to the faith or teachings of a well-recognized religious sect, denomination, or organization and, in accordance with its creed, tenets, or principles, depends for healing upon prayer in the practice of religion and that, to the best of his/her knowledge or belief, he/she is free from active tuberculosis. In order to exempt the individual, the Board shall determine by resolution, after a hearing, that the health of students would not be jeopardized.

The Superintendent or designee may exempt from the tuberculosis testing requirement classified employees who are employed for less than a school year if their functions do not require frequent or prolonged contact with students.

The Superintendent or designee may exempt a pregnant employee from the requirement that a positive tuberculin skin test be followed by an x-ray of the lungs, for a period not to exceed 60 days following termination of the pregnancy.

**PERSONNEL****4112.4/AR; 4212.4/AR; 4312.4/AR**

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**MEDICAL CERTIFICATION FOR COMMUNICABLE DISEASES FOR CERTIFICATED EMPLOYEES**

The Board shall not fill a position requiring certification with an applicant who has not previously been employed in a certificated position in California or a retirant who has not been employed as a retirant, unless the district has on file a medical certification completed and submitted directly to the district by an authorized health care provider.

The medical certification shall certify that the applicant or retirant is free from any disabling disease which would render him/her unfit to instruct or associate with children. The medical examination referred to in the certificate must have been conducted within six months of the date that the certificate is filed.

Applicants and retirants shall pay for the cost of obtaining the medical certification.

**MENTAL EXAMINATION FOR CERTIFICATED EMPLOYEES**

A certificated employee may be suspended or transferred to other duties if the Board has reasonable cause to believe that the employee is suffering from mental illness of such a degree as to render him/her incompetent to perform his/her duties. In such a case, the district shall follow the process specified in Education Code 44942 and the district's collective bargaining agreement, including the opportunity for the employee to be examined by a panel of psychiatrists or psychologists.

**LEGAL REFERENCE:****EDUCATION CODE**

44839 Medical certificate; periodic medical examination  
 44839.5 Requirements for employment of retirant  
 44932 Grounds for dismissal of permanent employee  
 44942 Suspension or transfer of certificated employee on ground of mental illness  
 45122 Physical examinations  
 49406 Examination for tuberculosis

**BUSINESS AND PROFESSIONS CODE**

2700-2838 Nurses  
 3500-3546 Physician assistants

**HEALTH AND SAFETY CODE**

121525 Private and parochial school employees, examination for tuberculosis

**CODE OF REGULATIONS, TITLE 5**

5502 Filing of notice of physical examination for employment of retired persons  
 5503 Physical examination for employment of retired persons  
 5504 Medical certification procedures

## PERSONNEL

**4112.4/AR; 4212.4/AR; 4312.4/AR**

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### COURT DECISIONS

Doe v. Lincoln Unified School District, (2010) 188 Cal.App.4th 758

Leonel v. American Airlines, Inc., (2005) 400 F.3d. 702

Raven v. Oakland Unified School District, (1989) 213 Cal.App.3d 1347

### MANAGEMENT RESOURCES:

#### WEB SITES

California Department of Public Health: <http://www.cdph.ca.gov>

Centers for Disease Control and Prevention: <http://www.cdc.gov>

Public Health Institute: <http://www.phi.org>

U.S. Food and Drug Administration: <http://www.fda.gov>

**PERSONNEL****4112.42, 4212.42, 4312.42**

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**DRUG AND ALCOHOL TESTING FOR SCHOOL BUS DRIVERS**

The Governing Board desires to ensure that district-provided transportation is safe for students, staff, and the public. To that end, the Superintendent or designee shall establish a drug and alcohol testing program designed to prevent the operation of buses or the performance of other safety-sensitive functions by a driver who is under the influence of drugs or alcohol, including a driver of a school bus, student activity bus, or other school transportation vehicle or any other employee who holds a commercial driver's license which is necessary to perform duties related to district employment.

A driver shall not report for duty or remain on duty when he/she has used any drug listed in 21 CFR 1308.11. A driver is also prohibited from reporting for duty or remaining on duty when he/she has used any drug listed in 21 CFR 1308.12-1308.15, unless he/she is using the drug under the direction of a physician who has advised him/her that the substance will not adversely affect the driver's ability to safely operate a bus. In addition, a driver shall not consume alcohol while on duty or for four hours prior to on-duty time.

The district's testing program for drivers shall include pre-employment drug testing and reasonable suspicion, random, post-accident, return-to-duty, and follow-up drug and alcohol testing of drivers.

The Board shall contract for testing services upon verifying that the personnel are appropriately qualified and/or certified and that testing procedures conform to federal regulations.

Except as otherwise provided by law, the Superintendent or designee shall not release individual test results or medical information about a driver to a third party without the driver's specific written consent.

**CONSEQUENCES BASED ON TEST RESULTS**

Any driver who refuses to take a required drug or alcohol test, tests positive for drugs, or is found to have a blood alcohol concentration level that exceeds the levels specified in law shall be removed from performing safety-sensitive functions in accordance with 49 CFR 40.23 and 382.211.

No driver shall be temporarily removed from the performance of safety-sensitive functions based only on a laboratory report of a confirmed positive test before the certified medical review officer has completed verification of the test results, unless the district has obtained a waiver.

Not later than five days after receiving notification of the test result or refusal to comply, the Superintendent or designee shall report any refusal, failure to comply, or positive test result to the California Department of Motor Vehicles (DMV) using a form approved by the DMV.

Any driver who refuses, fails to comply, or has a positive test result may be referred to an education and treatment program that meets the requirements of 49 CFR 40.281-40.313.

## PERSONNEL

4112.42, 4212.42, 4312.42

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If the substance abuse professional recommends that ongoing services are needed to assist the driver to maintain sobriety or abstinence from drug use, the Superintendent or designee shall require the driver to participate in the recommended services as part of a return-to-duty agreement and shall monitor his/her compliance. Any drop from a rehabilitation or return-to-duty program or a subsequent positive test result shall be reported to the DMV.

A driver who has violated federal drug and alcohol regulations may be subject to disciplinary action up to and including dismissal in accordance with law, administrative regulations, and the district's collective bargaining agreement.

### LEGAL REFERENCE:

#### EDUCATION CODE

35160 Authority of governing boards

#### GOVERNMENT CODE

8355 Drug-free workplace; employee notification

#### VEHICLE CODE

13376 Driver certificates; revocation or suspension

34500-34520.5 Safety regulations

#### CODE OF REGULATIONS, TITLE 13

1200-1293 Motor carrier safety, especially:

1213.1 Placing drivers out-of-service

#### UNITED STATES CODE, TITLE 41

8101-8106 Drug-Free Workplace Act

#### UNITED STATES CODE, TITLE 49

31306 Alcohol and drug testing

#### CODE OF FEDERAL REGULATIONS, TITLE 21

1308.11-1308.15 Controlled substances

#### CODE OF FEDERAL REGULATIONS, TITLE 49

40.1-40.413 Procedures for transportation workplace drug and alcohol testing programs

382.101-382.605 Drug and alcohol use and testing; especially:

382.205 On-duty use

382.207 Pre-duty use

382.209 Use following an accident

### MANAGEMENT RESOURCES:

#### CALIFORNIA HIGHWAY PATROL PUBLICATIONS

Controlled Substances and Alcohol Testing Compliance Checklist, 2007

## PERSONNEL

4112.42, 4212.42, 4312.42

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What is CSAT? Controlled Substances and Alcohol Testing, 2005

### WEB SITES

California Highway Patrol: <http://www.chp.ca.gov>

Federal Motor Carrier Safety Administration: <http://www.fmcsa.dot.gov>

U.S. Department of Transportation, Office of Drug and Alcohol Policy and Compliance:

<http://www.dot.gov/ost/dapc>



**PERSONNEL****4112.42/AR-1**

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**DRUG AND ALCOHOL TESTING FOR SCHOOL BUS DRIVERS****DEFINITIONS**

For purposes of drug testing required by the U.S. Department of Transportation (DOT), drugs included in the tests are marijuana, cocaine, amphetamines, phencyclidine (PCP), and opiates.

Alcohol concentration or level means the alcohol in a volume of breath expressed in terms of grams of alcohol per 210 liters of breath. For purposes of the DOT alcohol testing program, an alcohol level between 0.02 and 0.04 requires removal of the bus driver for a 24-hour period following the test. An alcohol level of 0.04 or higher requires immediate removal of the driver from performing safety-sensitive functions until the driver has successfully completed the return-to-duty process.

Safety-sensitive function means all time from the time a driver begins to work or is required to be in readiness to work until the time he/she is relieved from work and all responsibility for performing work. Safety-sensitive functions include, but are not limited to, all time driving or otherwise in the bus; waiting at a district facility to be dispatched; inspecting, servicing, or conditioning the bus or bus equipment; loading or unloading the bus; supervising or assisting in the loading or unloading of the bus; and repairing, obtaining assistance, or remaining in attendance upon a disabled bus.

**DESIGNATED EMPLOYER REPRESENTATIVE**

The Superintendent or designee shall identify a designated employer representative and shall provide his/her name and telephone number to the testing contractor to contact about any problems or issues that may arise during the testing process.

The designated employer representative shall be responsible for receiving test results and other communications, taking immediate action(s) to remove drivers from safety-sensitive functions, and making other required decisions in the testing and evaluation processes.

**PRE-EMPLOYMENT TESTING**

When hiring a new driver, the Superintendent or designee shall, with the driver's written consent, request the driver's past drug and alcohol testing record, as specified in 49 CFR 40.25, from any employer who has employed the driver at any time during the previous two years. In addition, the Superintendent or designee shall ask the driver if he/she tested positive, or refused to test, on any pre-employment drug or alcohol test that was administered during the past two years in the course of applying for another safety-sensitive transportation position that he/she did not obtain. The driver shall not be permitted to perform safety-sensitive functions if he/she refuses to provide consent to obtain the information from previous employers, the information from previous employers is not received within 30 days of the date on which the driver first performed safety-sensitive functions for the district, or the driver or a previous employer reports a violation of a drug or alcohol regulation without subsequent completion of the return-to-duty process.

**PERSONNEL****4112.42/AR-1**

Upon making a contingent offer of employment to a driver and prior to the first time the driver performs safety-sensitive functions for the district, the Superintendent or designee shall require the driver to undergo testing for drugs and to receive a verified negative test result. This testing requirement may be waived if all of the following conditions exist:

1. The driver has participated in a qualified drug testing program within the previous 30 days
2. While participating in the program, the driver either was tested within the past six months or participated in a random drug testing program for the previous 12 months
3. The Superintendent or designee has contacted the testing program(s) in which the driver has participated and has obtained information about the program and the driver's participation as specified in 49 CFR 382.301
4. No prior employer of the driver of whom the district has knowledge has records of the driver's violation of federal drug testing regulations within the previous six months

In addition, the Superintendent or designee shall require the driver to undergo pre-employment alcohol testing in accordance with the procedures in 49 CFR 40.1-40.605 and to receive a test result indicating an alcohol concentration level of less than 0.04.

**POST-ACCIDENT TESTING**

As soon as practicable following an accident involving a school bus or student activity bus, the Superintendent or designee shall ensure that the driver involved is tested for alcohol and/or drugs under either of the following conditions:

1. The accident involved loss of human life
2. The driver receives a citation for a moving violation and the accident involved bodily injury to a person who required immediate medical treatment away from the scene of the accident and/or disabling damage to one or more vehicles requiring towing

The Superintendent or designee shall attempt to administer a required alcohol test up to eight hours following the accident and/or a drug test up to 32 hours following the accident. The results of an alcohol or drug test conducted by federal, state, or local officials having independent authority for the test shall be considered to meet this requirement. If the alcohol test is not administered within two hours following the accident, or the test for drugs is not administered within 32 hours following the accident, the Superintendent or designee shall make a record stating the reasons the test was not promptly administered.

**RANDOM TESTING**

The Superintendent or designee shall ensure that random, unannounced drug and alcohol tests of bus drivers are conducted on testing dates reasonably spread throughout the year. Such tests shall be

**PERSONNEL****4112.42/AR-1**

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conducted during, immediately before, or immediately after the performance of safety-sensitive functions.

The Superintendent or designee shall ensure that the percentage of district drivers randomly tested for drugs and alcohol meets or exceeds the minimum annual percentage rates specified in 49 CFR 382.305 or subsequently published in the Federal Register.

Each driver selected for random testing shall have an equal chance of being tested each time selections are made.

Each driver who is selected for testing shall proceed to the test site immediately or, if performing a safety-sensitive function other than driving a bus, then as soon as possible after ceasing that function.

**REASONABLE SUSPICION TESTING**

A driver shall be required to submit to a drug or alcohol test whenever the Superintendent or designee has reasonable suspicion that the driver has violated the prohibitions against the use of drugs or alcohol. Such reasonable suspicion shall be based on specific, contemporaneous, articulable observations, conducted during, immediately before, or immediately after the performance of safety-sensitive functions, concerning the driver's appearance, behavior, speech, and/or body odors. Reasonable suspicion of drug use may also include indications of the chronic and withdrawal effects of drugs.

The person who makes the required observations for reasonable suspicion testing for drugs or alcohol shall be trained in accordance with 49 CFR 382.603. The person who makes the determination that reasonable suspicion exists to conduct an alcohol test shall not be the same person who conducts the alcohol test.

Within 24 hours of the observed behavior or before the results of the drug or alcohol test are released, whichever is earlier, the Superintendent or designee shall prepare and sign a written record of the observations leading to a reasonable suspicion test.

An alcohol test required as a result of reasonable suspicion shall be administered within eight hours following the determination of reasonable suspicion. If the test is not administered within two hours, the Superintendent or designee shall prepare and maintain on file a record stating the reasons the test was not promptly administered.

In the absence of a reasonable suspicion alcohol test, the district shall take no action against a driver based solely on the driver's behavior and appearance, except that the driver shall not be allowed to report for or remain on safety-sensitive functions until an alcohol test is administered and the results show a concentration less than 0.02 or 24 hours have elapsed following the determination of reasonable suspicion.

**PERSONNEL****4112.42/AR-1**

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**RETURN-TO-DUTY TESTING**

The Superintendent or designee may permit a driver who has violated federal drug or alcohol regulations to return to safety-sensitive functions after the driver has successfully complied with the education and treatment services prescribed by a substance abuse professional and has taken a return-to-duty drug or alcohol test. The driver shall not resume performance of safety-sensitive functions unless the drug test shows a negative result and/or the alcohol test shows a concentration of less than 0.02.

**FOLLOW-UP TESTING**

Upon receiving a written follow-up testing plan from a substance abuse professional, the Superintendent or designee shall determine the actual dates for follow-up testing consistent with those recommendations and shall ensure that such tests are unannounced and follow no discernable pattern as to their timing. No additional tests beyond those included in the plan shall be imposed by the district.

**NOTIFICATIONS**

The Superintendent or designee shall provide each driver with materials explaining the federal regulations and the district's policy and procedure related to drug and alcohol testing and shall notify representatives of employee organizations of the availability of this information. This information shall include a detailed discussion of at least the following: (49 CFR 382.303, 382.113, 382.601)

1. The identity of the person designated by the district to answer driver questions about the materials
2. The categories of drivers who are subject to drug and alcohol testing
3. Sufficient information about the safety-sensitive functions performed by those drivers to make clear what period of the workday the driver is required to be in compliance
4. Specific information concerning prohibited driver conduct
5. The circumstances under which a driver will be tested for drugs and/or alcohol, including post-accident testing
6. The procedures that will be used to test for the presence of drugs and alcohol, protect the driver and the integrity of the testing processes, safeguard the validity of the test results, and ensure that those results are attributed to the correct driver
7. The requirement that a driver submit to drug and alcohol tests
8. An explanation of what constitutes a refusal to submit to a drug or alcohol test and the attendant consequences

## PERSONNEL

4112.42/AR-1

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9. The consequences for drivers found to have violated the prohibitions against drug or alcohol use, including the circumstances under which drivers will be removed immediately from safety-sensitive functions and the requirements for education, treatment, and return-to-duty testing
10. The consequences for drivers found to have a blood alcohol concentration between 0.02 and 0.04
11. Information concerning the effects of drug and alcohol use on an individual's health, work, and personal life; signs and symptoms of a drug or alcohol problem (the driver's or a co-worker's); and available methods of intervening when a drug or alcohol problem is suspected, including confrontation, referral to any employee assistance program, and/or referral to management

Each driver shall sign a statement certifying that he/she has received a copy of the above materials. The Superintendent or designee shall maintain the original of the signed certificate and may provide a copy of the certificate to the driver.

In addition, prior to administering each alcohol or drug test, the driver shall be notified that the test is required pursuant to Title 49, Part 382, of the Code of Federal Regulations.

The driver shall be notified of the results of drug and alcohol tests in accordance with 49 CFR 382.411.

### RECORDS

The Superintendent or designee shall maintain records of the district's drug and alcohol testing program in accordance with 49 CFR 40.333 and 382.401. Such records shall be maintained in a secure location with controlled access and shall be disclosed only in accordance with 49 CFR 382.405.

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** March 10, 2015

**BOARD MEETING DATE:** March 19, 2015

**PREPARED & SUBMITTED BY:** Rick Schmitt  
Superintendent

**SUBJECT:** ADOPTION OF RESOLUTION / SUPPORT OF  
SENATE BILL 277 REPEALING THE IMMUNIZATION  
PERSONAL BELIEF EXEMPTION

\*\*\*\*\*

### EXECUTIVE SUMMARY

California is one of only 18 states that allow parents to enroll their children in school unvaccinated through a “personal belief exemption” to public health laws. The number of parents taking the exemption has increased considerably over the past decade. In some California schools, more than half of the children have not been vaccinated citing the exemption.

Public health officials believe an immunization rate of 95 percent is critical to minimizing the potential risk of a disease outbreak. In 2000, measles was declared eliminated from the United States due to a highly effective vaccination program and better measles control in the Americas region. However, as the popularity of the “personal belief exemption” has risen, so has incidence of disease. Between January 1 and February 20, 2015, more than 150 people across the United States have been diagnosed with measles. According to the Center for Disease Control, the majority of people infected with measles were unvaccinated and measles can spread in communities where groups of people are unvaccinated.

On February 19, 2015, State Senators Richard Pan and Ben Allen introduced Senate Bill (SB) 277, which would eliminate the ability for parents or guardians to exempt their children from receiving immunizations based on “personal belief.”

### RECOMMENDATION:

It is recommended that the Board adopt the resolution in support of the Senate Bill (SB) 277 repealing the immunization personal belief exemption, as shown in the attached supplement

### FUNDING SOURCE:

N/A

ITEM 17

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
RESOLUTION DECLARING SUPPORT OF  
SENATE BILL (SB) 277 REPEALING THE IMMUNIZATION  
PERSONAL BELIEF EXEMPTION**

WHEREAS, existing law prohibits the governing authority of a school from unconditionally admitting a pupil of any public elementary school or child care center unless prior to his or her admission to that institution he or she has been fully immunized against various diseases, including measles, mumps, and pertussis, subject to any specific age criteria. Existing law authorizes an exemption from those provisions for medical reasons or because of personal beliefs, if specified forms are submitted to the governing authority; and,

WHEREAS, Senate Bill (SB) 277 would eliminate the exemption from immunization based upon personal beliefs; and,

WHEREAS, existing law requires the governing board of a school district, at the beginning of the first semester or quarter of the regular school term, to make certain notifications to parents or guardians of minor pupils including, among others, specified rights and responsibilities of a parent or guardian and specified school district policies and procedures; and,

WHEREAS, Senate Bill (SB) 277 would require the governing board of a school district to also include in the notifications provided to parents or guardians of minor pupils at the beginning of the regular school term the immunization rates for the school in which a pupil is enrolled for each required immunization. By requiring school districts to notify parents or guardians of school immunization rates, the bill would impose a state-mandated local program.

**NOW, THEREFORE IT IS HEREBY RESOLVED:**

The Governing Board of the San Dieguito Union High School District has declared support of Senate Bill (SB) 277 repealing the immunization personal belief exemption, this 19<sup>th</sup> day of March, 2015.

AYES:

NOES:

ABSTENTIONS:

ABSENCES:

DATE: March 19, 2015

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Secretary of the Governing Board

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** March 4, 2015

**BOARD MEETING DATE:** March 19, 2015

**PREPARED BY:** Delores Perley, Chief Financial Officer  
John Addleman, Director of Planning Svcs.  
Eric R. Dill, Assoc. Superintendent, Business

**SUBMITTED BY:** Rick Schmitt  
Superintendent

**SUBJECT:** ACCEPTANCE OF THE 2013-14 ANNUAL  
PROPOSITION AA BUILDING FUND AUDIT  
REPORT

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### EXECUTIVE SUMMARY

In November 2012, the San Dieguito community approved the passage of Proposition AA, a General Obligation Bond initiative. Proposition 39 General Obligation bonds require an independent performance audit to ensure that funds have been expended only on the specific purposes listed in the ballot measure and a financial audit of the bond proceeds. The audit also includes an evaluation of procedures including internal controls and the formation, composition and purpose of the Independent Citizens' Oversight Committee.

The District entered into an agreement for the annual Proposition AA audit with Wilkinson, Hadley, King, & Co. LLP – Certified Public Accountants. The audit has been completed in accordance with state law. Wilkinson, Hadley, King, & Co. LLP now present the audit report for your review and acceptance.

Findings and recommendations are noted on page 19 of the audit report. The report does not contain any negative findings or identify any material weaknesses in the District's internal controls. In addition, review of the Proposition AA procedures and Independent Citizens' Oversight Committee compliance requirements revealed no areas of noncompliance.

The audit was presented to the Independent Citizens Oversight Committee at their March 9, 2015 Special Meeting.



ITEM 18

**RECOMMENDATION:**

It is recommended that the Board accept the 2013-14 annual Proposition AA Building Fund audit of the San Dieguito Union High School District, as prepared by Wilkinson, Hadley, King, & Co. LLP, as shown in the attached supplement.

**FUNDING SOURCE:**

Not applicable.

ITEM 18

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
GENERAL OBLIGATION BONDS**

**AUDIT REPORT**

**JUNE 30, 2014**

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
GENERAL OBLIGATION BONDS  
TABLE OF CONTENTS**

	<u>Page</u>
<b>INTRODUCTION</b>	
Introduction and Citizens' Oversight Committee Member Listing.....	1
Independent Auditor's Report.....	2
<b>FINANCIAL SECTION</b>	
Balance Sheet.....	4
Statement of Revenues, Expenditures, and Changes in Fund Balance.....	5
Notes to the Financial Statements.....	6
<b>OTHER INDEPENDENT AUDITORS' REPORTS</b>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	15
Independent Auditors' Report on Performance.....	17
<b>FINDINGS AND RESPONSES SECTION</b>	
Schedule of Findings and Responses.....	20
Schedule of Prior Audit Findings.....	21

## ITEM 18

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION 39 GENERAL OBLIGATION BONDS  
PROPOSITION AA  
INTRODUCTION AND CITIZENS' OVERSIGHT COMMITTEE MEMBER LISTING**

On November 6, 2012 the San Dieguito Union High School District was successful under Proposition AA in obtaining District voters to issue up to \$449,000,000 in General Obligation Bonds pursuant to a 55% vote in a bond election. The General Obligation Bonds are considered Proposition 39 bonds. The passage of Proposition 39 in November 2000 amended the California Constitution to include accountability measures. Specifically, the District must conduct an annual, independent performance audit to ensure that funds have been expended only on the specific projects listed as well as an annual, independent financial audit of the proceeds from the sale of the bonds until all of the proceeds have been expended.

Upon passage of Proposition 39, an accompanying piece of legislation, AB 1908 was also enacted, which amended the Education Code to establish additional procedures which must be followed if a District seeks approval of a bond measure pursuant to the 55% majority authorized in Proposition 39 including formation, composition and purpose of the Independent Citizens' Oversight Committee, and authorization for injunctive relief against improper expenditure of bond revenues.

The San Dieguito Union High School District Proposition AA Independent Citizens' Oversight Committee as of June 30, 2014 was comprised of the following members:

<u>Name</u>	<u>Position</u>	<u>Term Expiration</u>
Rhea Stewart	President-At Large Member	June 2015
Michael Kenny	Representative-Business Organization Member	June 2015
Lorraine Kent	Secretary-Taxpayer Association Member	June 2015
Larry Lugo	Member-Parent of SDUHSD Student	June 2015
Clarke Caines	Member-Parent and Active in PTA	June 2015
Mary Farrell	Member-Senior Citizen Organization	June 2015
Kim Bess	Member-At-Large	June 2015
Scott Seidenverg	Member-At Large	June 2015
Jeffery Thomas	Member-At Large	June 2015

P. Robert Wilkinson, CPA  
Brian K. Hadley, CPA  
Natalie C. Azzam, CPA



## ITEM 18

Aubrey W. King, CPA  
Richard K. Savage, CPA  
Kevin A. Sproul, CPA

### INDEPENDENT AUDITOR'S REPORT

**Governing Board Members and  
Citizens' Oversight Committee  
San Dieguito Union High School District  
Encinitas, California**

#### **Report on Financial Statements**

We have audited the accompanying financial statements of Proposition AA Building Fund (21-39) of San Dieguito Union High School District, which comprise the balance sheet as of June 30, 2014, and the related statement of revenues, expenditures, and changes in fund balance for the year then ended, and the related notes to the financial statements.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

ITEM 18

**Emphasis of Matter**

As discussed in Note B, the financial statements present only the Building Fund (21-39) which is specific to Proposition AA and is not intended to present fairly the financial position and results of operations of San Dieguito Union High School District in conformity with accounting principles generally accepted in the United States of America.

Also, described in Note B to the financial statements, in 2014, the District adopted new accounting guidance, Government Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Proposition AA Building Fund (21-39) of San Dieguito Union High School District as of June 30, 2014, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2015, on our consideration of San Dieguito Union High School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Wilkinson Hadley King & Co., LLP*

El Cajon, California  
February 12, 2015

ITEM 18

**FINANCIAL SECTION**

## ITEM 18

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
GENERAL OBLIGATION BONDS  
BALANCE SHEET  
JUNE 30, 2014**

**ASSETS****CURRENT ASSETS**

Cash in County Treasury	\$ 112,992,398
Investments - Cash With Fiscal Agent	787,405
Accounts Receivable	<u>214,218</u>

**TOTAL ASSETS**

<b>\$ 113,994,021</b>
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**LIABILITIES AND FUND BALANCE**

Accounts Payable	<u>\$ 5,672,922</u>
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**TOTAL LIABILITIES**

5,672,922
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**FUND BALANCE**

Restricted for Capital Projects	<u>108,321,099</u>
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**TOTAL LIABILITIES AND FUND BALANCE**

<b>\$ 113,994,021</b>
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The accompanying notes are an integral part of these financial statements



## ITEM 18

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
GENERAL OBLIGATION BONDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2014**

<b>REVENUES</b>	
Interest Income	\$ 449,870
Refund - Appraisal Fees	3,500
	<hr/>
<b>TOTAL REVENUES</b>	453,370
<b>EXPENDITURES</b>	
Classified Salaries	634,316
Employee Benefits	205,484
Materials and Supplies	4,339
Other Operating Expenses	22,056
Capital Outlay:	
Site Construction	11,673,476
Land Improvements	8,896,369
New Construction	10,307,092
Construction Improvement	9,801,024
Equipment	332,027
Technology Equipment	101,736
Equipment Replacement	1,467,784
	<hr/>
<b>TOTAL EXPENDITURES</b>	43,445,703
<b>EXCESS OF EXPENDITURES OVER REVENUES</b>	<hr/> (42,992,333)
<b>OTHER FINANCING SOURCES (USES)</b>	
Lease Payment Adjustment	300
Debt Service Transfer	(7,110,148)
Lease Revenue Bond Payment	(2,024,838)
Transfer to General Fund	(765,588)
	<hr/>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	(9,900,274)
<b>NET CHANGE IN FUND BALANCE</b>	<hr/> (52,892,607)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<hr/> 161,213,706
<b>FUND BALANCE, END OF YEAR</b>	<hr/> <hr/> \$ 108,321,099

The accompanying notes are an integral part of these financial statements

## ITEM 18

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
GENERAL OBLIGATION BONDS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014**

**A. Definition of the Fund**

The Building Fund (21-39) was formed to account for property acquisition and construction of new schools as well as renovation of current schools for the San Dieguito Union High School District (District), through expenditures of general obligation bonds issued under the General Obligation Bonds Election of 2012. Fund (21-39) is one of the Building Funds of the District.

**B. Summary of Significant Accounting Policies***Basis of Presentation*

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB) and *Audits of State and Local Governmental Units* issued by the American Institute of Certified Public Accountants.

*Fund Structure*

The accompanying financial statements are used to account for the transactions of the Building Fund (21-39) specific to Proposition AA as defined in Note A and are not intended to present fairly the financial position and results of operations of San Dieguito Union High School District in conformity with accounting principles generally accepted in the United States of America.

*Basis of Accounting*

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

Building Fund (21-39) is maintained on the modified accrual basis of accounting. Its revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered). With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

*Budgets and Budgetary Accounting*

The Board of Trustees adopts an operating budget no later than July 1 in accordance with state law. This budget is revised by the Board of Trustees during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
GENERAL OBLIGATION BONDS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014  
(Continued)**

**B. Summary of Significant Accounting Policies (Continued)**

*Encumbrances*

The District utilizes an encumbrance accounting system under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated at June 30 since they do not constitute expenditures or liabilities.

*Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

*Cash in County Treasury*

In accordance with Education Code §41001, the District maintains a substantial amount of its cash in the San Diego County Treasury. The County pools these funds with those of other districts in the County and invests the cash. These pooled funds are carried at cost, which approximates fair value, in accordance with the requirements of GASB Statement No. 31.

Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The county is authorized to deposit cash and invest excess funds by California Government Code §53648 et.seq. The funds maintained by the county are either secured by federal depository insurance or are collateralized.

Information regarding the amount of dollars invested in derivatives with San Diego County Treasury was not available.

*Receivables and Payables*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund receivables/payables. Accounts receivable are recorded net of estimated uncollectible amounts. There were no significant receivables that are not scheduled for collection within one year of year-end.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
GENERAL OBLIGATION BONDS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014  
(Continued)**

**B. Summary of Significant Accounting Policies (Continued)**

*Fund Balance Reserves and Designations*

Fund balances of the governmental funds are classified as follows:

**Nonspendable Fund Balance** – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

**Restricted Fund Balance** – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

**Committed Fund Balance** – represents amounts that can only be used for a specific purpose because of a formal action by the District’s governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

**Assigned Fund Balance** – represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund’s primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

**Unassigned Fund Balance** – represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts has been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
GENERAL OBLIGATION BONDS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014  
(Continued)**

**B. Summary of Significant Accounting Policies (Continued)**

*GASB 65 Implementation*

In March 2012, the GASB issued Statement No. 65, Items Previously Reported as Assets and Liabilities. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

The District has implemented the provisions of this Statement for the year ended June 30, 2014.

*Deferred Inflows and Deferred Outflows of Resources*

Deferred outflows of resources is a consumption of net assets or net position that is applicable to a future reporting period. Deferred inflows of resources is an acquisition of net assets or net position that is applicable to a future reporting period. Deferred outflows of resources and deferred inflows of resources are recorded in accordance with GASB Statement numbers 63 and 65. At June 30, 2014 the District's Building Fund (21-39) did not have any Deferred Inflows or Deferred Outflows of Resources.

**C. Cash and Investments**

*Cash in County Treasury*

In accordance with Education Code Section 41001, the District maintains significantly all of its cash in the San Diego County Treasury as part of the common investment pool. As of June 30, 2014, the portion of cash in county treasury attributed to Building Fund (21-39) was \$112,992,398. The fair value of Building Fund (21-39)'s portion of this pool as of that date, as provided by the pool sponsor, was \$113,137,877. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001).

The fair value of the District's investment in the pool is reported in the accounting financial statement at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

## ITEM 18

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
GENERAL OBLIGATION BONDS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014  
(Continued)**

**C. Cash and Investments (Continued)***Investments*

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposits placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies; certificates of participation; obligations with first priority security; and collateralized mortgage obligations.

The District's investments attributed to Building Fund (21-39) at June 30, 2014 are shown below.

<u>Investment or Investment Type</u>	<u>Average Days to Maturity*</u>	<u>Amount Reported</u>	<u>Fair Value</u>
San Diego County Pooled Investment Funds	366 Days	\$ 112,992,398	\$ 113,137,877
Federated Treasury Obligations	44 Days	29,819	29,819
US Treasury Notes	<30 Days	757,586	735,549
Total Investments		<u>\$ 113,779,803</u>	<u>\$ 113,903,245</u>

\*Represents an average of the days to maturity.

*Analysis of Specific Deposit and Investment Risks*

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. *Credit Risk*

Credit risk is the risk that an issuer or their counterparty to an investment will not fulfill its obligations. The county is restricted by Government Code Section 53635 pursuant to Section 53601 to invest only in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not exposed to credit risk. The San Diego County Investment Pool is rated AAA by Standard & Poors. U.S. Treasury Notes have a Moody's rating of AAA and Federated Treasury Obligations are rated AAAM by Standard & Poors.



## ITEM 18

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
GENERAL OBLIGATION BONDS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014  
(Continued)**

**C. Cash and Investments (Continued)**

b. *Custodial Credit Risk*

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. At year end, the District's Building Fund (21-39) was not exposed to custodial credit risk.

c. *Concentration of Credit Risk*

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. Investments in any one issuer that represent five percent or more of the total investments are either an external investment pool and are therefore exempt. As such, the District's Building Fund (21-39) was not exposed to concentration of credit risk.

d. *Interest Rate Risk*

This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposures to interest rate risk by investing in the county pool.

e. *Foreign Currency Risk*

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

f. *Investment Accounting Policy*

The District is required by GASB statement No. 31 to disclose its policy for determining which investments, if any are reported at amortized cost. The District's general policy is to report money market investments and short-term participating interest-earning investment contracts using a cost-based measure; however, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value.

All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

## ITEM 18

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
GENERAL OBLIGATION BONDS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014  
(Continued)**

**D. Accounts Receivable**

Accounts receivable at June 30, 2014 consisted of:

Interest	\$ 116,768
Cancelled Warrant	<u>97,450</u>
Total	<u><u>\$ 214,218</u></u>

**E. Accounts Payable**

Accounts payable at June 30, 2014 consisted of:

Vendors Payable	<u><u>\$ 5,672,922</u></u>
-----------------	----------------------------

**F. Interfund Transactions**

Interfund transfers to and from other funds at June 30, 2014 are as follows:

Transfer to General Fund	<u><u>\$ 765,588</u></u>
--------------------------	--------------------------

The amount transferred to the General Fund represents the portion of lease principal payment due on the solar facilities project in accordance with the authorized purpose under the facility lease agreement with the San Dieguito Public Facilities Financing Authority in conjunction with the Bond Project List as listed in the full text of the Proposition AA Ballot Measure.

**G. Other Financing Uses:**

Other financing uses as of June 30, 2014 are as follows:

Debt Service Transfer	\$ 7,110,148
Lease Revenue Bond Payment	<u>2,024,838</u>
	<u><u>\$ 9,134,986</u></u>

The debt service transfer of \$7,110,148 represents initial proceeds from the 2012 Election, Series A, General Obligation Bonds that were designated for deposit to the Bond Interest and Redemption Fund (Fund 52) which were inadvertently deposited to the Building Fund (21-39) in the prior year. The amount transferred represents the designated balance due to the Bond Interest and Redemption Fund (Fund 52) as stated in the sources and uses section of the official bond statement. The funds will be utilized for future debt service payments on the bonds.



## ITEM 18

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
GENERAL OBLIGATION BONDS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014  
(Continued)**

**G. Other Financing Uses: (Continued)**

The lease revenue bond payment in the amount of \$2,024,838 represents a partial payment made from the escrow account to pay off the San Dieguito Public Facilities Authority Series 2012A lease revenue bonds principal balance of \$2,500,000. The remaining portion of principal balance in the amount of \$475,162 was paid from the escrow account in the Capital Project Fund for Blended Component Units (Fund 49). The partial principal payment from Building Fund (21-39) was paid in conjunction with the approved ballot measure with respect to purchasing the San Dieguito Public Facilities Authority's interest in the lease payments due on the Torrey Pines High School Projects.

**H. Long-Term Debt**

The outstanding bonded debt as of June 30, 2014 is as follows:

Date of Issuance	Interest Rate	Maturity Date	Amounts Outstanding Issue	Amounts Outstanding July 1, 2013	Issued Current Year	Redeemed Current Year	Amounts Outstanding June 30, 2014
4/11/13	1.00-5.00%	08/01/38	\$160,000,000	\$160,000,000	\$ -	\$ -	\$ 160,000,000
4/11/13	Premium	08/01/38	\$ 8,336,717	8,336,717	-	320,643	8,016,074
4/11/13	Discount	08/01/38	\$ (744,000)	(744,000)	-	(28,615)	(715,385)
Totals				\$167,592,717	\$ -	\$ 292,028	\$ 167,300,689

*General Obligation Bonds*

In April 2013, the District issued \$2,320,000 taxable, 2012 Election, Series A-1, General Obligation Bonds and \$157,680,000 tax-exempt, 2012 Election, Series A-2 General Obligation Bonds. The issue consisted of \$93,035,000 of current interest bonds with interest rates ranging from 1.00% to 5.00% with annual maturities from August 2014 through August 2033 and \$66,965,000 in a term bond with an interest rate of 4.00% with an annual maturity date of August 1, 2038. Interest on the bonds accrues from the date of delivery and is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2014. The bonds were authorized at an election of the registered voters held on November 6, 2012 at which 55% or more of the persons voting on the proposition voted to authorize the issuance and sale of bonds in order to finance specific construction, acquisition and modernization projects approved by the voters including lease payments with respect to such facilities in addition to purchasing the San Dieguito Public Facilities Authority's interest in, and pay and prepay lease payments due on the Torrey Pines High School Projects.

*Bond Premium and Discount*

Bond premium arises when the market rate of interest is higher than the stated interest rate on the bond. Generally Accepted Accounting Principles (GAAP) require that the premium increase the face value of the bond and then amortize the premium over the life of the bond as interest. Bond discount arises when the market rate of interest is lower than the stated interest rate on the debt. Generally Accepted Accounting Principles (GAAP) require that the discount decrease the face value of the debt and then amortize the discount over the life of the debt as interest.

## ITEM 18

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
GENERAL OBLIGATION BONDS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014  
(Continued)**

**H. Long-Term Debt (Continued)**

Debt service requirements on the general obligation bonds, net of premium and discount, as of June 30, 2014 is as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 10,245,000	\$ 6,115,361	\$ 16,360,361
2016	5,535,000	6,042,725	11,577,725
2017	-	6,015,050	6,015,050
2018	-	6,015,050	6,015,050
2019	935,000	5,996,350	6,931,350
2020-2024	11,185,000	28,904,850	40,089,850
2025-2029	24,595,000	24,561,125	49,156,125
2030-2034	40,540,000	17,799,600	58,339,600
2035-2039	66,965,000	7,194,900	74,159,900
Totals	<u>\$ 160,000,000</u>	<u>\$ 108,645,011</u>	<u>\$ 268,645,011</u>

**I. Construction Commitments**

As of June 30, 2014, the Building Fund had the following commitments with respect to unfinished capital projects:

Construction in Process:	Commitment	*Expected Date of Final Completion
Carmel Valley Middle School-Media Center Imp.	\$ 153,670	08/15/2014
Canyon Crest Academy Stadium and Fields Phase 2	\$ 15,528,955	04/07/2015
Diegueno Middle School Front Entry/Media Center Imp.	\$ 3,094,776	08/15/2014
Diegueno Middle School Technology Infrastructure	\$ 554,032	08/15/2014
Earl Warren Middle School Data Center Phase 1	\$ 3,094,776	04/16/2015
La Costa Canyon High School Media Center/800 Buildings Imp.	\$ 4,732,259	08/15/2014
Pacific Trails Middle School (formerly Middle School #5)	\$ 46,427,499	02/05/2016
Oak Crest Middle School Art/C-Smart, ADA Pathway and Field	\$ 3,576,919	08/15/2014
San Dieguito Academy Stadium Phase 1B and Interim Housing	\$ 6,240,350	08/15/2015
TPHS Stadium Lighting/Science Classroom/Weight Room	\$ 9,323,767	09/01/2015

\*Expected date of final completion subject to change.

ITEM 18

**OTHER INDEPENDENT AUDITOR'S REPORTS**

P. Robert Wilkinson, CPA  
Brian K. Hadley, CPA  
Natalie C. Azzam, CPA



## ITEM 18

Aubrey W. King, CPA  
Richard K. Savage, CPA  
Kevin A. Sproul, CPA

### **INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**Governing Board Members and  
Citizens Oversight Committee  
San Dieguito Union High School District  
Encinitas, California**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Proposition AA Building Fund (21-39) of San Dieguito Union High School District, which comprise the balance sheet as of June 30, 2014, and the related statement of revenues, expenditures, and changes in fund balance for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 12, 2015.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered San Dieguito Union High School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of San Dieguito Union High School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

ITEM 18

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether San Dieguito Union High School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wilkinson Hadley King & Co., LLP*

El Cajon, California  
February 12, 2015



P. Robert Wilkinson, CPA  
Brian K. Hadley, CPA  
Natalie C. Azzam, CPA

ITEM 18

Aubrey W. King, CPA  
Richard K. Savage, CPA  
Kevin A. Sproul, CPA

**INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE**

**Governing Board Members and  
Citizens Bond Oversight Committee  
San Dieguito Union High School District  
Encinitas, California**

We have audited the financial statements of the Proposition AA Building Fund (21-39) of San Dieguito Union High School District as of and for the fiscal year ended June 30, 2014 and have issued our report thereon dated February 12, 2015. Our audit was made in accordance with generally accepted auditing standards in the United States of America and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In connection with our performance audit, we performed an audit for compliance as required in the performance requirements for the Proposition 39 Proposition AA General Obligation Bonds for the fiscal year ended June 30, 2014. The objective of the audit of compliance applicable to San Dieguito Union High School District is to determine with reasonable assurance that:

- The proceeds from the sale of the Proposition AA Bonds were only used for the purposes set forth in the ballot measure and not for any other purpose, such as teacher and administrative salaries.
- The Governing Board of the District, in establishing the approved projects set forth in the ballot measure, will modernize, replace, renovate, construct, acquire, equip, furnish, and otherwise improve facilities of the District as noted in the bond project list.

In performing our audit of compliance, we performed procedures including but not limited to those listed as follows:

**Internal Control Evaluation**

Procedure Performed:

Inquiries were made of management regarding internal controls to:

- Prevent fraud, waste, or abuse regarding Proposition AA resources
- Prevent material misstatement in the Proposition AA Building Fund (21-39) financial statements
- Ensure all expenditures are properly allocated
- Ensure adequate separation of duties exists in the accounting of Proposition AA funds



## ITEM 18

All purchase requisitions are reviewed for proper supporting documentation. The Project Manager or the Director of Planning Services gives directions and submits documentation to the Construction and Facilities Coordinator to initiate a purchase requisition. The budget is verified by the Facilities Planning Analyst and supporting documents are reviewed by the Construction Contracts Analyst. This requisition is forwarded to the finance office where the Budget Analyst verifies the budget string and the requisition is subsequently reviewed and approved by the Chief Financial Officer, Chief Facilities Officer, and the Director of Purchasing to ensure the requested purchase is an allowable project cost in accordance with the Proposition AA ballot measure initiative approved by local voters as well as the board approved budget, and that all expenditures are properly recorded by project and expense category. Once the purchase requisition has gone through the approval process, the Construction Contracts Analyst creates a purchase order, which is provided to the vendor, who proceeds to provide the requested services or goods. Other copies of the purchase order are also submitted to the finance office, purchasing office, and to the Facilities Planning Analyst for monitoring and review.

When the invoice is received the Director of Planning Services and Facilities Planning Analyst verify that the charges are consistent with the amounts on the approved contract/purchase order, then the invoice is subsequently signed and approved by the Project Manager and Chief Facilities Officer and either e-mailed or scanned to the finance office for subsequent approval. Invoices are approved by the Accounting Specialist and monitored by the Chief Financial Officer in the finance office and subsequently processed through the accounts payable system of the District for payment. The invoices and support documents are submitted to the San Diego County Office of Education's Commercial Warrant Unit for audit to ensure compliance with procurement regulations and good business practices before payment is released. The commercial warrants are routed back to the District finance office where they are signed by the Chief Financial Officer and then forwarded to the Facilities Planning and Construction Office for appropriate distribution.

#### Results of Procedures Performed

The results of our audit determined the internal control procedures as implemented are sufficient to meet the financial and compliance objectives required by generally accepted accounting standards and applicable laws and regulations.

#### **Facilities Site Review**

##### Procedures Performed:

We reviewed the Independent Citizens' Oversight Committee minutes and agenda including the information on the tour of Proposition AA ongoing projects and determined that Proposition AA funds expended for the year ended June 30, 2014 were for valid facilities acquisition and construction purposes as stated in the Bond Project List.

##### Results of Procedures Performed:

Based on our review, of the Independent Citizens' Oversight Committee meetings, the documentation of the Proposition AA projects tour, and the explanation of management, it appears the construction work performed was consistent with the Bond Project List.

#### **Tests of Contracts and Bid Procedures**

##### Procedures Performed:

We reviewed the District's board minutes for approval of construction contracts and change orders, if any, to determine compliance with the District's policy and Public Contract Code provisions related to biddings and contracting.

ITEM 18

Results of Procedures Performed:

We noted no instances where the District was out of compliance with respect to contracts and bidding procedures.

**Tests of Expenditures**

Procedures Performed:

We tested expenditures to determine whether Proposition AA funds were spent solely on voter and Board approved school facilities projects as set forth in the Bond Project List and the Proposition AA ballot measure language. Our testing included a sample of vendor and payroll payments totaling approximately \$37,015,178 or approximately 85% of total expenditures for the year. Our testing included \$36,392,937 of capital outlay expenditures which was 85% of capital outlay expenses.

Results of Procedures Performed:

We found no instances where expenditures tested were not in compliance with the terms of the Proposition AA ballot measure and applicable state laws and regulations.

**Citizens' Oversight Committee**

Procedures Performed:

We have reviewed the minutes of the Citizens' Oversight Committee meetings to verify compliance with Education Code sections 15278 through 15282.

Results of Procedures Performed:

We have determined the San Dieguito Union High School District's Proposition AA Citizens' Oversight Committee and its involvement is in compliance with Education Code sections 15278 through 15282.

Our audit of compliance made for the purposes set forth in the second and third paragraphs of this report above would not necessarily disclose all instances of noncompliance. In our opinion, the District complied, in all material respects, with the compliance requirements for the Proposition AA Building Fund, for the fiscal year ended June 30, 2014.

This report is intended solely for the information and use of the District's Governing Board, the Proposition AA Independent Citizens' Oversight Committee, management, others within the entity, and the taxpayers of San Dieguito Union High School District and is not intended to be and should not be used by anyone other than these specified parties.

*Wilkinson Hadley King & Co., LLP*

El Cajon, California  
February 12, 2015



ITEM 18

**FINDINGS AND RESPONSES SECTION**

ITEM 18

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2014**

---

There were no findings to report.

ITEM 18

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
PROPOSITION AA BUILDING FUND  
SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2014**

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There were no audit findings noted for the fiscal year ended June 30, 2013.

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** March 6, 2015

**BOARD MEETING DATE:** March 19, 2015

**PREPARED BY:** John Addleman, Director of Planning Services  
Eric Dill, Assoc. Supt. of Business Services

**SUBMITTED BY:** Rick Schmitt  
Superintendent

**SUBJECT:** RESOLUTION CONVEYING AN INTEREST  
IN REAL PROPERTY AND RIGHT-OF-WAY

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### EXECUTIVE SUMMARY

The Board of Trustees, at the March 5, 2015 meeting, adopted a Resolution of Intention to Convey Permanent Easement and Right-of-way to the City of Encinitas related to a permanent easement along the east side of the campus along Bonita Drive to provide approximately 3' for additional public street right-of-way.

Since the March 5<sup>th</sup> action the necessary posting and publication of the Board's intent has been accomplished in order for the Board of Trustees to hold a public hearing regarding the easement dedication and subsequent vote on the Resolution Conveying an Interest in Real Property Easement and Right-of-Way.

### RECOMMENDATION:

It is recommended that the Board:

- a) Hold a Public Hearing, allowing comments from the public on the Board's intention to convey an interest in real property easement and right-of-way to the City of Encinitas, and
- b) adopt the Resolution Conveying an Interest in Real Property Permanent Easement and Right-of-Way to the City of Encinitas for use as public street right-of-way, including the installation, construction, maintenance, repair, replacement, reconstruction and inspection of public utilities, including, but not limited to, electric, gas, telephone, cable

ITEM 19

television, sewer, water, storm drain, appurtenant facilities, and all structures incidental thereto, at the San Dieguito High School Academy site, as therein described, said property being owned by the San Dieguito Union High School District of San Diego County, California, as shown in the attachment supplements

**FUNDING SOURCE:**

Not applicable.



# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** March 6, 2015

**BOARD MEETING DATE:** March 19, 2015

**PREPARED BY:** John Addleman, Director of Planning Services  
Eric Dill, Assoc. Superintendent, Business

**SUBMITTED BY:** Rick Schmitt, Superintendent

**SUBJECT:** **ADOPTION OF RESOLUTION OF THE BOARD OF TRUSTEES OF THE SAN DIEGUITO UNION HIGH SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF AND SALE OF NOT TO EXCEED \$125,000,000 AGGREGATE PRINCIPAL AMOUNT OF BONDS OF THE SAN DIEGUITO UNION HIGH SCHOOL DISTRICT, BY A NEGOTIATED SALE PURSUANT TO A BOND PURCHASE AGREEMENT, PRESCRIBING THE TERMS OF SALE, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A PAYING AGENT AGREEMENT AND A CONTINUING DISCLOSURE CERTIFICATE, APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT FOR THE BONDS, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS**

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### EXECUTIVE SUMMARY

On November 6, 2012, the voters of the San Dieguito Union High School District voted to approve Proposition AA to authorize the District to issue up to \$449 million of general obligation bonds to finance certain specified capital projects and facilities. On December 13, 2012, the Board adopted the Resolution Declaring Results of the School Bond Election declaring, in effect, that Proposition AA had gathered more than the required 55% affirmative vote under Proposition 39 to authorize the bonds.

In April 2013, the District issued the first series of bonds, Series A-1 and A-2, in the amount of \$160 million for the construction and modernization of multiple school facilities across the District, in addition to making principal lease payment towards the solar facilities constructed by the 2010A Qualified School Construction Bonds (QSCB) and the repayment of the 2012A Torrey Pines High School Lease Revenue Bonds (Torrey Pines LRB).

Similar in structure and purpose, the 2015 Series of Bonds, Series B-1 and B-2, in the amount of \$117.04 million will be for the construction and modernization of several school facilities across the District, in addition to maintaining the option for continued principal lease payments towards the solar facilities at Canyon Crest Academy and La Costa Canyon High School.

Due to the taxable nature of the 2010A QSCBs, a taxable series of bonds, Series B-1, will be issued in an amount of \$2.3 million. The remaining projects will be funded with a tax-exempt series of bonds, Series B-2, in amount of \$114.5 million, after the payment of certain costs of issuance.

Projects to be funded under Series B-1 (taxable) and B-2 (tax-exempt)

- Series B-1
  - 2010-A QSCB: \$2.3M
  
- Series B-2
  - Earl Warren Middle School: \$41.4M
    - Interim Housing and Reconstruction of Campus
  - Oak Crest Middle School: \$3.9M
    - Remodel of Media Center
    - Balour St. Improvements
    - Storm Drain Improvements
  - Pacific Trails Middle School: \$1.5M
    - Design of second two-story classroom building
  - Canyon Crest Academy: \$11.4M
    - Design, construction, and furnishing of Building B
  - La Costa Canyon High School: \$1.6M
    - Building 200 HVAC and minor remodel of Building 900
  - Torrey Pines High School: \$21.2M
    - Renovation of Building B and Front Entry
  - San Dieguito Academy: \$24.5M
    - Design, construction of furnishing of Art, English and Social Science Building

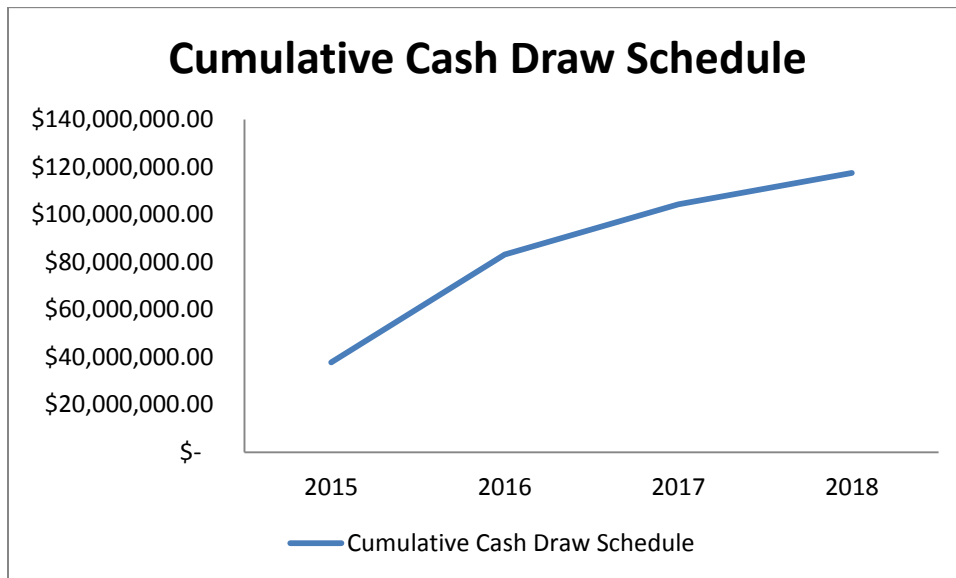


### Projects to be funded (continued)

- District Wide Tech Infrastructure: \$5.4M
- Project Administration: \$3.6M

The projects will be funded over the next three years.

### Projected Cumulative Construction Cash Draw Schedule



### **Proposed Financing**

Staff has been working closely with Fieldman, Rolapp & Associates (Financial Advisor), Orrick, Herrington & Sutcliffe LLP (Bond Counsel), Hawkins Delafield & Wood LLP (Disclosure Counsel), Stifel, Nicolaus & Company, Inc. (Senior Underwriter), and J.P. Morgan Securities LLC (Co-Underwriter), collectively the Finance Team, to develop a financing plan that maintains the long-term financing goals that:

- pledge to limit the tax rate to no more than \$25 per \$100,000 of assessed value (AV),
- continue the practice of limiting the repayment term to no more than 25 years,
- continue the practice to develop a financing plan that eliminates or reduces the use of Capital Appreciation Bonds (CABs), and
- increases the conservative view of projected yearly AV growth by decreasing the projected growth from 5% to 4%.

## Standard Bond Information

As a result, the financing plan developed for Series B-1 and B-2 contains the following elements.

- The use of Current Interest Bonds (CIBs) only. No CABs.
- The upper limit of the amount to be borrowed will be \$125 million.
- The maximum allowable interest rate allowed by California Education Code is 8%. Pursuant to the attached resolution, the true interest cost (TIC) on the Series B bonds shall not exceed 4.25%. TIC is the total annual cost of obtaining debt financing, expressed as a percentage of the total debt amount. It is often referred to as the real cost of taking out a loan as it includes all ancillary fees and costs, along with factors related to the time value of money. As of March 4, 2015 the estimated true interest cost of Series B is 3.69%.
- The continued pledge of not to exceed \$25 per \$100,000 of assessed value will be maintained as illustrated in the attached "2015 GO Bonds, Series B-1 and B-2".
- The repayment term is 25 years.
- The projected yearly AV growth is constrained to 4% during the 25 year repayment term.
- The Series B-2 (Tax-Exempt) bonds will have a call feature to provide flexibility in future refinancing.
- The repayment schedule is detailed here (Net Debt Service).

**NET DEBT SERVICE**  
 San Dieguito Union High School District  
 Series B Aggregate Financing Results  
 Election of 2012 General Obligation Bonds  
 Series B-1 (Taxable) & Series B-2 (Tax-Exempt)  
 Aggregate Financing Results

<b>Maturity</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Capitalized Interest</b>	<b>Net Debt Service</b>
8/1/2016	6,180,000.00	5,575,437.25	11,755,437.25	4,182,926.55	7,572,510.70
8/1/2017	3,755,000.00	4,367,750.00	8,122,750.00	-	8,122,750.00
8/1/2018	3,495,000.00	4,255,100.00	7,750,100.00	-	7,750,100.00
8/1/2019	-	4,115,300.00	4,115,300.00	-	4,115,300.00
8/1/2020	-	4,115,300.00	4,115,300.00	-	4,115,300.00
8/1/2021	-	4,115,300.00	4,115,300.00	-	4,115,300.00
8/1/2022	-	4,115,300.00	4,115,300.00	-	4,115,300.00
8/1/2023	-	4,115,300.00	4,115,300.00	-	4,115,300.00
8/1/2024	-	4,115,300.00	4,115,300.00	-	4,115,300.00
8/1/2025	-	4,115,300.00	4,115,300.00	-	4,115,300.00
8/1/2026	-	4,115,300.00	4,115,300.00	-	4,115,300.00
8/1/2027	2,160,000.00	4,115,300.00	6,275,300.00	-	6,275,300.00
8/1/2028	2,715,000.00	4,028,900.00	6,743,900.00	-	6,743,900.00
8/1/2029	3,235,000.00	3,920,300.00	7,155,300.00	-	7,155,300.00
8/1/2030	3,555,000.00	3,790,900.00	7,345,900.00	-	7,345,900.00
8/1/2031	3,880,000.00	3,648,700.00	7,528,700.00	-	7,528,700.00
8/1/2032	4,180,000.00	3,522,600.00	7,702,600.00	-	7,702,600.00
8/1/2033	4,535,000.00	3,355,400.00	7,890,400.00	-	7,890,400.00
8/1/2034	4,900,000.00	3,174,000.00	8,074,000.00	-	8,074,000.00
8/1/2035	5,285,000.00	2,978,000.00	8,263,000.00	-	8,263,000.00
8/1/2036	5,680,000.00	2,766,600.00	8,446,600.00	-	8,446,600.00
8/1/2037	6,095,000.00	2,539,400.00	8,634,400.00	-	8,634,400.00
8/1/2038	6,525,000.00	2,295,600.00	8,820,600.00	-	8,820,600.00
8/1/2039	24,415,000.00	2,034,600.00	26,449,600.00	-	26,449,600.00
8/1/2040	26,450,000.00	1,058,000.00	27,508,000.00	-	27,508,000.00
<b>TOTAL</b>	<b>117,040,000.00</b>	<b>90,348,987.25</b>	<b>207,388,987.25</b>	<b>4,182,926.55</b>	<b>203,206,060.70</b>

(1) Assumes preliminary scale provided by Stifel, Nicolaus & Company, Inc. as of 3-4-15.

## Debt Service

As referenced above,

- the principal amount of \$117,040,000 will be paid over the course of 25 years,
- the period from 2019 to 2026 will be interest only to allow for the growth of AV and to accommodate future issuances, Series C and Series D respectively,
- gross interest over the time will amount to \$90,348,987.25 for Total Debt Service of \$207,388,987.25, and
- capitalized Interest, as a result of premium generated, will be paid out in full in the first year and three months in the amount of \$4,182,926.55 reducing Total Debt Service to a Net Debt Service to taxpayers of \$203,206,060.70 with a payback ratio of 1.74:1.

## Bond Components

Bond Component	Par Value	Price	Average Coupon	Average Life
Taxable Current Interest Bonds	2,310,000.00	100.00	0.658%	1.250
Tax-Exempt Current Interest Bonds	45,565,000.00	105.18	3.892%	13.314
Tax-Exempt Term Bond 2040	69,165,000.00	102.97	4.000%	24.115
	117,040,000.00			19.459

	TIC	All-In TIC*
Par Value	117,040,000.00	117,040,000.00
+ Premium (Discount)	4,412,386.55	4,412,386.55
- Underwriter's Discount	-234,080.00	-234,080.00
-Cost of Issuance Expense		-250,000.00
Target Value	121,218,306.55	120,968,306.55
Target Date	5/1/2015	5/1/2015
Yield	3.689764%	3.705461%

\* Like TIC, All-In TIC calculates the cost of the debt to be issued. All-In TIC includes all Cost of Issuance expenses, including underwriter's discount.

## Bond Pricing, Series B-2 (Tax Exempt)

The bonds are expected to trade above its par value, creating a premium of approximately \$4,412,386.55. Typically a bond will trade at premium when it offers a coupon rate that is higher than prevailing interest rates. This is because investors want a higher yield and will pay more for it. The \$4,412,386.55 gained by selling at premium will not be available for projects as it must be limited to the payment of capitalized interest, as noted previously to reduce debt

service by \$4,182,926.55, and for costs of issuance related to underwriter's discount of the tax-exempt bonds in the amount of \$229,460.00.

### BOND PRICING

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
GO Bonds, 2012 Election, Series B-2 (Tax-Exempt)

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity
Tax-Exempt Current Interest Bonds:						
	8/1/2016	3,870,000.00	2.000%	0.250%	102.182	
	8/1/2017	3,755,000.00	3.000%	0.520%	105.539	
	8/1/2018	3,495,000.00	4.000%	0.860%	110.041	
	8/1/2027	2,160,000.00	4.000%	2.760%	111.001 C	2.925%
	8/1/2028	2,715,000.00	4.000%	2.980%	108.948 C	3.167%
	8/1/2029	3,235,000.00	4.000%	3.140%	107.483 C	3.336%
	8/1/2030	3,555,000.00	4.000%	3.250%	106.489 C	3.449%
	8/1/2031	3,880,000.00	3.250%	3.500%	96.918	
	8/1/2032	4,180,000.00	4.000%	3.390%	105.240 C	3.590%
	8/1/2033	4,535,000.00	4.000%	3.430%	104.886 C	3.631%
	8/1/2034	4,900,000.00	4.000%	3.470%	104.534 C	3.669%
	8/1/2035	5,285,000.00	4.000%	3.510%	104.183 C	3.704%
		<u>45,565,000.00</u>				
Tax-Exempt Term Bond 2040:						
	8/1/2040	69,165,000.00	4.000%	3.650%	102.966 C	3.816%
		<u>114,730,000.00</u>				

Dated Date	5/1/2015
Delivery Date	5/1/2015
First Coupon	2/1/2016
Par Amount	114,730,000.00
Premium	<u>4,412,386.55</u>
Production	119,142,386.55 103.845887%
Underwriter's Discount	<u>-229,460.00</u> -0.200000%
Purchase Price	118,912,926.55 103.645887%
Accrued Interest	
Net Proceeds	<u>118,912,926.55</u>

Estimate of Costs including Underwriter's Discount (Series B-1 and B-2):

<b>Services</b>	<b>Firm</b>	<b>Payable at Closing</b>	<b>% of Par</b>
Underwriter's Disc. (est.)	Stifel, Nicolaus & Company, Inc., and J.P. Morgan Securities LLC	\$234,080	0.200%
Bond Counsel	Orrick, Herrington & Sutcliffe LLP	\$45,000	0.038%
Bond Counsel/Expenses	Orrick, Herrington & Sutcliffe LLP	\$5,000	0.004%
Disclosure Counsel	Hawkins Delafield & Wood LLP	\$27,500	0.023%
Financial Advisor	Fieldman, Rolapp & Associates	\$49,500	0.042%
Financial Advisor/Expenses	Fieldman, Rolapp & Associates	\$5,270	0.005%
Paying Agent	U.S. Bank National Association	\$3,500	0.003%
Data Service	CalMuni	\$1,400	0.001%
Rating Agency	Standard & Poor's	\$79,000	0.067%
Rating Agency	Moody's Investors Service	\$60,000	0.051%
Printing	ImageMaster	\$5,000	0.004%
Contingency		\$3,830	0.003%
Total		\$519,080	0.444%

As noted above, the All-In Cost to issue the transaction will be less than 1% of the \$117 million par value.

Attached is the District resolution and pursuant to the resolution the following documents, in form, for approval:

**Bond Purchase Agreement:** An agreement between the District and Stifel, Nicolaus & Company, Inc., and J.P. Morgan Securities LLC, as co-underwriters (collectively, the "Underwriter"), for the purchase of bonds from the District by the Underwriter for reoffering to the public.

**Paying Agent Agreement:** An agreement between the District and County of San Diego through the Office of the Treasurer-Tax Collector to levy and collect the tax necessary to pay debt service on the bonds, as well as maintaining the bond proceeds held in the Building Fund.

**Continuing Disclosure Certificate:** Any government entity issuing bonds has an obligation to meet specific continuing disclosure standards in compliance with Securities and Exchange Commission (SEC) Rule 15c2-12. When the bonds are issued, the District for the benefit of the underwriter(s) to meet the SEC requirements, promises to provide certain annual financial information and material event notices to the public.

**Preliminary Official Statement:** Copies will be made available to persons who may be interested in purchasing the bonds.

Upon issuance of the Series 2015 B-1 and B-2 Bonds, the District's remaining bonding capacity will be approximately:

Fiscal Year	Assessed Value	Factor	Bonding Capacity	Estimated Outstanding Principal as of May 2015	Remaining Capacity as of May 2015
2014-2015	\$52,699,137,271	1.25%	\$658,739,216	\$266,795,000	\$391,944,216

**RECOMMENDATION:**

It is recommended that the Board adopt the Resolution of the Board of Trustees of the San Dieguito Union High School District Authorizing the Issuance and Sale of Not to Exceed \$125,000,000 Aggregate Principal Amount of Bonds of the San Dieguito Union High School District, by a Negotiated Sale Pursuant to a Bond Purchase Agreement, Prescribing the Terms of Sale, Approving the Form of and Authorizing the Execution and Delivery of a Bond Purchase Agreement, a Paying Agent Agreement and a Continuing Disclosure Certificate, Approving the Form of and Authorizing the Distribution of an Official Statement for the Bonds, and Authorizing the Execution of Necessary Documents and Certificates and Related Actions, as shown in the attached supplements.

**FUNDING SOURCE:**

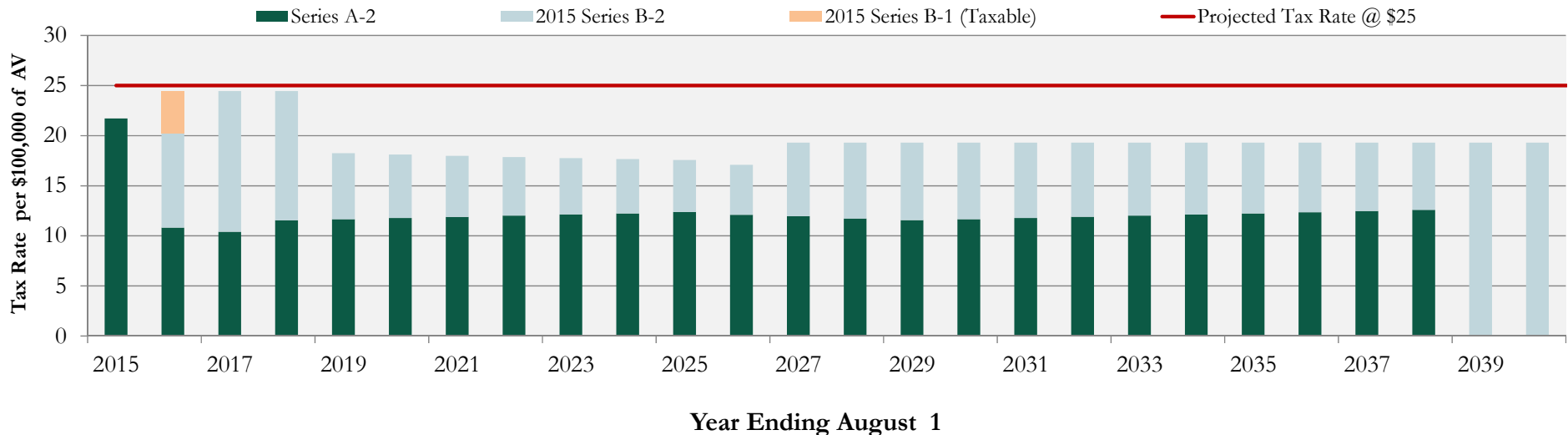
N/A



# 2015 GO Bonds, Series B-1 and B-2

- The School District is preparing to price two series of bonds in April 2015 in the preliminary aggregate par amount of \$117,040,000 to fund additional school facilities and provide for the option to pay ongoing lease payments
  - ❑ Series B-1 sold as Taxable Current Interest Bonds to fund \$2.3 million
  - ❑ Series B-2 sold as Tax-Exempt Current Interest Bonds to fund \$114.5 million
  - ❑ The School District would have \$171,960,000\* remaining in authorization

**Projected 2012 Election Tax Rates After Issuance of 2015 Bonds<sup>(1)(2)</sup>**



<sup>(1)</sup> Assumes 4% growth for FY 14-15 and every year thereafter.  
<sup>(2)</sup> Assumes preliminary scale provided by Stifel, Nicolaus & Company, Inc. as of 3-4-15.  
 Note: Preliminary, subject to change.



**RESOLUTION OF THE BOARD OF TRUSTEES OF THE SAN DIEGUITO UNION HIGH SCHOOL DISTRICT AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$125,000,000 AGGREGATE PRINCIPAL AMOUNT OF BONDS OF THE SAN DIEGUITO UNION HIGH SCHOOL DISTRICT, BY A NEGOTIATED SALE PURSUANT TO A BOND PURCHASE AGREEMENT, PRESCRIBING THE TERMS OF SALE, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A PAYING AGENT AGREEMENT AND A CONTINUING DISCLOSURE CERTIFICATE, APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT FOR THE BONDS, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS**

**WHEREAS**, an election was duly called and regularly held in the San Dieguito Union High School District, County of San Diego, California (herein called the “District”), on November 6, 2012, pursuant to Section 15100 and following of the Education Code (the “Education Code”) of the State of California (the “State”), at which a bond proposition (“Proposition AA”) summarized as follows was submitted to the electors of the District:

*“To provide safe, modern schools and prepare students for success in college and careers by repairing and upgrading outdated classrooms and schools, constructing and upgrading school facilities, including classrooms, science labs, and libraries, improving safety and security, and supporting career training and math, science, and technology instruction with 21st Century instructional technology and facilities, shall San Dieguito Union High School District issue \$449 million in bonds with independent oversight, no money for administrator salaries, and all money staying local?”; and*

**WHEREAS**, at least 55% of the votes cast on the proposition were in favor of issuing the bonds; and

**WHEREAS**, the District has heretofore issued its “San Dieguito Union High School District 2013 General Obligation Bonds (Election of 2012), Series A-1 (Taxable)” in the original principal amount of \$2,320,000, and its “San Dieguito Union High School District 2013 General Obligation Bonds (Election of 2012), Series A-2 (Tax-Exempt)” in the original principal amount of \$157,680,000, for authorized school purposes; and

**WHEREAS**, at this time, the Board of Trustees deems it necessary and desirable to authorize and consummate the sale of an additional portion of the bonds, designated the “San Dieguito Union High School District 2015 General Obligation Bonds (Election of 2012), Series B-1 (Taxable)” (the “Taxable Bonds”) and the “San Dieguito Union High School District 2015 General Obligation Bonds (Election of 2012), Series B-2 (Tax-Exempt)” (the “Tax-Exempt Bonds” and, together with the Taxable Bonds, the “Series 2015 Bonds”), with such additional or other series or subseries designations as may be approved as herein provided, in an aggregate

initial principal amount not exceeding \$125,000,000, for purposes of financing projects authorized to be financed under the Proposition AA, according to the terms and in the manner hereinafter set forth; and

**WHEREAS**, Sections 53506 and following of the Government Code (the “Government Code”) of the State, including Section 53508.7 thereof, provide that a school district may issue and sell bonds on its own behalf at a private or negotiated sale pursuant to Sections 15140 and 15146 of the Education Code; and

**WHEREAS**, Section 15140(b) of the Education Code provides that the board of supervisors of a county may authorize a school district in the county to issue and sell its own bonds without the further action of the board of supervisors or officers of the county if said school district has not received a qualified or negative certification in its most recent interim report; and

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

**WHEREAS**, the Series 2015 Bonds shall be issued and sold by the District on its own behalf at a negotiated sale pursuant to authorization to be obtained from the Board of Supervisors (the “Board of Supervisors”) of the County of San Diego (the “County”); and

**WHEREAS**, a form of Bond Purchase Agreement (such Bond Purchase Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Bond Purchase Agreement”) to purchase the Series 2015 Bonds proposed to be entered into with Stifel, Nicolaus & Company, Incorporated and J.P. Morgan Securities LLC, as co-underwriters (collectively, the “Underwriter”) has been prepared; and

**WHEREAS**, a form of Paying Agent Agreement (such Paying Agent Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Paying Agent Agreement”), proposed to be entered with the Office of the Treasurer-Tax Collector of the County, as paying agent (the “Paying Agent”) has been prepared; and

**WHEREAS**, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”) requires that, in order to be able to purchase or sell the Series 2015 Bonds, the Underwriter must have reasonably determined that the issuer or other obligated person has undertaken in a written agreement or contract for the benefit of the holders of the Series 2015 Bonds to provide disclosure of certain financial and operating information and certain enumerated events on an ongoing basis; and

**WHEREAS**, in order to cause such requirement to be satisfied, the District desires to execute and deliver a Continuing Disclosure Certificate (such Continuing Disclosure Certificate, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Continuing Disclosure Certificate”), a form of which has been prepared; and

**WHEREAS**, the Preliminary Official Statement to be distributed in connection with the public offering of the Series 2015 Bonds (such Preliminary Official Statement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Preliminary Official Statement”) has been prepared; and

**WHEREAS**, the Board of Trustees has been presented with the form of each document referred to herein relating to the financing contemplated hereby, and the Board of Trustees has examined each document and desires to approve, authorize and direct the execution of such documents and the consummation of such financing; and

**WHEREAS**, the District desires that the County levy and collect a tax on all taxable property within the District sufficient to provide for payment of the Series 2015 Bonds, and intends by the adoption of this Resolution to notify the Board of Supervisors of the County, the Auditor and Controller of the County, the Treasurer-Tax Collector of the County and other officials of the County that they should take such actions as shall be necessary to provide for the levy and collection of such a tax and payment of the Series 2015 Bonds, all pursuant to Sections 15250 and 15251 of the Education Code; and

**WHEREAS**, all acts, conditions and things required by the Constitution and laws of the State to exist, to have happened and to have been performed precedent to and in connection with the consummation of the actions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such actions for the purpose, in the manner and upon the terms herein provided;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Trustees of the San Dieguito Union High School District, as follows:

**Section 1. Recitals.** All of the above recitals are true and correct and the Board of Trustees so finds.

**Section 2. Definitions.** Unless the context clearly otherwise requires, the terms defined in this Section shall, for all purposes of this Resolution, have the meanings specified herein, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

**“Auditor and Controller”** means the Auditor and Controller of the County or any authorized deputy thereof.

**“Authorized Officers”** means the President of the Board of Trustees, or such other member of the Board of Trustees as the President may designate, the Superintendent of the District, the Associate Superintendent, Business Services, of the District, the Director of Planning Services, or such other officer or employee of the District as the Superintendent may designate.

**“Board of Trustees”** means the Board of Trustees of the District.

**“Board of Supervisors”** means the Board of Supervisors of the County.

**“Bond Purchase Agreement”** means the Bond Purchase Agreement relating to the sale of the Series 2015 Bonds by and between the District and the Underwriter in accordance with the provisions hereof.

**“Cede & Co.”** means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Series 2015 Bonds.

**“Code”** means the Internal Revenue Code of 1986.

**“Continuing Disclosure Certificate”** means the Continuing Disclosure Certificate executed and delivered by the District relating to the Series 2015 Bonds.

**“County”** means the County of San Diego.

**“District”** means the San Dieguito Union High School District.

**“DTC”** means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors as securities depository for the Series 2015 Bonds, including any such successor thereto appointed pursuant to Section 9 hereof.

**“Interest Date”** means February 1 and August 1 of each year commencing on February 1, 2016 or such other dates as may be set forth in the Bond Purchase Agreement.

**“Official Statement”** means the Official Statement of the District relating to the Series 2015 Bonds.

**“Opinion of Bond Counsel”** means an opinion of counsel of nationally recognized standing in the field of law relating to municipal bonds.

**“Owner”** means, with respect to any Series 2015 Bond, the person whose name appears on the Registration Books as the registered Owner thereof.

**“Paying Agent”** means the Treasurer or any bank, trust company, national banking association or other financial institution appointed as Paying Agent to act as authenticating agent, bond registrar, transfer agent and paying agent for the Series 2015 Bonds in accordance with Section 8 hereof.

**“Paying Agent Agreement”** means the Paying Agent Agreement relating to the Series 2015 Bonds by and between the District and the Treasurer in accordance with the provisions hereof.

**“Preliminary Official Statement”** means the Preliminary Official Statement of the District relating to the Series 2015 Bonds.

**“Record Date”** means, with respect to any Interest Date for the Series 2015 Bonds, the 15th day of the calendar month immediately preceding such Interest Date, whether or not such

day is a business day, or such other date or dates as may be set forth in the Bond Purchase Agreement.

**“Registration Books”** means the books for the registration and transfer of the Series 2015 Bonds maintained by the Paying Agent in accordance with Section 8(d) hereof.

**“Series 2015 Bonds”** means the bonds authorized and issued pursuant to this Resolution, in one or more series or subseries, designated the “San Dieguito Union High School District 2015 General Obligation Bonds (Election of 2012), Series B-1 (Taxable)” and the “San Dieguito Union High School District 2015 General Obligation Bonds (Election of 2012), Series B-2 (Tax-Exempt)”, with such additional or other series or subseries designations as may be approved as herein provided.

**“State”** means the State of California.

**“Tax Certificate”** means the Tax Certificate with respect to the Tax-Exempt Bonds, executed by the District, dated the date of issuance of the Series 2015 Bonds.

**“Tax-Exempt”** means, with respect to interest on any obligations of a state or local government, that such interest is excluded from the gross income of the holders thereof for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code.

**“Taxable Bonds”** means those Series 2015 Bonds the interest on which is not Tax-Exempt.

**“Treasurer”** means the Office of the Treasurer-Tax Collector of the County or any authorized deputy thereof.

**“Underwriter”** means Stifel, Nicolaus & Company, Incorporated and J.P. Morgan Securities LLC, as co-underwriters.

**Section 3. Authorization and Designation of Bonds.** Subject to the authorization of the District by the Board of Supervisors of the County to issue and sell the Series 2015 Bonds without the further action of the Board of Supervisors pursuant to Sections 15140 and 15146 of the Education Code, as permitted by Section 53508.7 of the Government Code, which authorization is hereby respectfully requested, the Series 2015 Bonds described herein are being issued pursuant to the authority of Article 4.5 of Chapter 3, of Part 1 of Division 2 of Title 5 of the Government Code, and other applicable provisions of law, including applicable provisions of the Education Code. The Board of Trustees hereby authorizes the issuance and sale, by a negotiated sale, of not to exceed \$125,000,000 aggregate principal amount of Series 2015 Bonds. The Series 2015 Bonds may be issued in one or more series or subseries and shall be designated “San Dieguito Union High School District 2015 General Obligation Bonds (Election of 2012), Series B-1 (Taxable)” and the “San Dieguito Union High School District 2015 General Obligation Bonds (Election of 2012), Series B-2 (Tax-Exempt),” with appropriate additional or other series or subseries designations as approved by an Authorized Officer, or such other designation as may be approved by an Authorized Officer. The Series 2015 Bonds shall be

issued as current interest bonds as provided in Section 5 hereof. The proceeds of the Series 2015 Bonds, exclusive of any premium and accrued interest received, shall be applied to finance projects authorized to be financed under Proposition AA.

**Section 4. Form of Bonds; Execution.** (a) *Form of Series 2015 Bonds.* The Series 2015 Bonds shall be issued in fully registered form without coupons. The Series 2015 Bonds and the certificate of authentication and registration and the forms of assignment to appear on each of them, shall be in substantially the forms attached hereto as Exhibit A, with necessary or appropriate variations, omissions and insertions as permitted or required by this Resolution.

(b) *Execution of Bonds.* The Series 2015 Bonds shall be signed by the manual or facsimile signatures of the President of the Board of Trustees, and countersigned by the manual or facsimile signature of the Clerk of the Board of Trustees. The Series 2015 Bonds shall be authenticated by a manual signature of a duly authorized signatory of the Paying Agent.

(c) *Valid Authentication.* Only such of the Series 2015 Bonds as shall bear thereon a certificate of authentication and registration as described in subsection (a) of this Section, executed by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of authentication and registration shall be conclusive evidence that the Series 2015 Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Resolution.

(d) *Identifying Number.* The Paying Agent shall assign each Series 2015 Bond authenticated and registered by it a distinctive letter, or number, or letter and number, and shall maintain a record thereof at its principal office, which record shall be available to the District and the County for inspection.

**Section 5. Terms of Bonds.** (a) *Date of Series 2015 Bonds.* The Series 2015 Bonds shall be dated the date of their delivery, or such other date as shall be set forth in the Bond Purchase Agreement.

(b) *Denominations.* The Series 2015 Bonds shall be issued in denominations of \$5,000 principal amount or any integral multiple thereof.

(c) *Maturity.* The Series 2015 Bonds shall mature on the date or dates, in each of the years, in the principal amounts and in the aggregate principal amount as shall be set forth in the Bond Purchase Agreement. No Series 2015 Bond shall mature later than the date which is 25 years from the date of the Series 2015 Bonds, to be determined as provided in subsection (a) of this Section. No Series 2015 Bond shall have principal maturing on more than one principal maturity date.

The aggregate principal amount of the Series 2015 Bonds issued shall not exceed \$125,000,000.

(d) *Interest; Series 2015 Bonds.* The Series 2015 Bonds shall bear interest at an interest rate not to exceed 8.00% per annum, payable on the Interest Dates in each year computed on the basis of a 360-day year of twelve 30-day months. Each Series 2015 Bond shall bear interest from the Interest Date next preceding the date of authentication thereof, unless it is



authenticated after the close of business on a Record Date and on or prior to the succeeding Interest Date, in which event it shall bear interest from such Interest Date, or unless it is authenticated on or before the Record Date preceding the first Interest Date, in which event it shall bear interest from its dated date; provided, however, that if, at the time of authentication of any Series 2015 Bond, interest is in default on any outstanding Series 2015 Bonds, such Series 2015 Bond shall bear interest from the Interest Date to which interest has previously been paid or made available for payment on the outstanding Series 2015 Bonds.

(e) *Interest; Tax-Exempt or Taxable.* Each series of Series 2015 Bonds may be issued such that the interest on such series of Series 2015 Bonds is Tax-Exempt or such that the interest on such series of Series 2015 Bonds is not Tax-Exempt. The Board of Trustees hereby finds and determines that, pursuant to Section 5903 of the California Government Code, the interest payable on each series of Series 2015 Bonds issued as Taxable Bonds will be subject to federal income taxation under the Code in existence on the date of issuance of such series of Series 2015 Bonds.

**Section 6. Payment of Bonds.** (a) *Request for Tax Levy.* The money for the payment of principal, redemption premium, if any, and interest on the Series 2015 Bonds shall be raised by taxation upon all taxable property in the District and provision shall be made for the levy and collection of such taxes in the manner provided by law and for such payment out of the interest and sinking fund of the District. The Board of Supervisors 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 Series 2015 Bonds in such year, and to pay from such taxes all amounts due on the Series 2015 Bonds. The District hereby requests the Board of Supervisors to annually levy a tax upon all taxable property in the District sufficient to redeem the Series 2015 Bonds, and to pay the principal, redemption premium, if any, and interest thereon as and when the same become due.

(b) *Principal.* The principal of the Series 2015 Bonds shall be payable in lawful money of the United States of America to the Owner thereof, upon the surrender thereof at the principal corporate trust office of the Paying Agent.

(c) *Interest; Record Date.* The interest on the Series 2015 Bonds shall be payable on each Interest Date in lawful money of the United States of America to the Owner thereof as of the Record Date preceding such Interest Date, such interest to be paid by check or draft mailed on such Interest Date (if a business day, or on the next business day if the Interest Date does not fall on a business day) to such Owner at such Owner's address as it appears on the Registration Books or at such address as the Owner may have filed with the Paying Agent for that purpose except that the payment shall be made by wire transfer of immediately available funds to any Owner of at least \$1,000,000 of outstanding Series 2015 Bonds who shall have requested in writing such method of payment of interest prior to the close of business on the Record Date immediately preceding any Interest Date.

(d) *Interest and Sinking Fund.* Principal and interest due on the Series 2015 Bonds shall be paid from the interest and sinking fund of the District as provided in Section 15146 of the Education Code.

(e) *Obligation of the District.* No part of any fund or account of the County is pledged or obligated to the payment of the Series 2015 Bonds. The obligation for repayment of the Series 2015 Bonds is the sole obligation of the District.

**Section 7. Redemption Provisions.** (a) *Optional Redemption.* The Series 2015 Bonds may be subject to redemption, at the option of the District, on the dates and terms as shall be designated in the Bond Purchase Agreement. The Bond Purchase Agreement may provide that the all or a portion of the Series 2015 Bonds shall not be subject to optional redemption.

(b) *Selection.* If less than all of the Series 2015 Bonds are subject to such redemption and are called for redemption, such Series 2015 Bonds shall be redeemed in inverse order of maturities or as otherwise directed by the District (or as otherwise set forth in the Bond Purchase Agreement), and if less than all of the Series 2015 Bonds of any given maturity are called for redemption, the portions of such bonds of a given maturity to be redeemed shall be determined by lot (or as otherwise set forth in the Bond Purchase Agreement).

(c) *Mandatory Sinking Fund Redemption.* The Series 2015 Bonds, if any, which are designated in the Bond Purchase Agreement as term bonds shall also be subject to redemption prior to their stated maturity dates, without a redemption premium, in part by lot (or as otherwise set forth in the Bond Purchase Agreement), from mandatory sinking fund payments in the amounts and in accordance with the terms to be specified in the Bond Purchase Agreement. Unless otherwise provided in the Bond Purchase Agreement, the principal amount of each mandatory sinking fund payment of any maturity shall be reduced proportionately by the amount of any Series 2015 Bonds of that maturity redeemed in accordance with subsection (a) of this Section prior to the mandatory sinking fund payment date. The Bond Purchase Agreement may provide that the Series 2015 Bonds shall not be subject to mandatory sinking fund redemption. The Auditor and Controller is hereby authorized to create such sinking funds or accounts for the term Series 2015 Bonds as shall be necessary to accomplish the purposes of this Section.

(d) *Notice of Redemption.* Notice of any redemption of the Series 2015 Bonds shall be mailed by the Paying Agent, postage prepaid, not less than 20 nor more than 60 days prior to the redemption date (i) by first class mail to the County and the respective Owners thereof at the addresses appearing on the Registration Books, and (ii) as may be further required in accordance with the Continuing Disclosure Certificate.

Each notice of redemption shall state (i) the date of such notice; (ii) the name of the Series 2015 Bonds and the date of issue of the Series 2015 Bonds; (iii) the redemption date; (iv) the redemption price; (v) the series of Series 2015 Bonds and the dates of maturity or maturities of Series 2015 Bonds to be redeemed; (vi) if less than all of the Series 2015 Bonds of a series of any maturity are to be redeemed, the distinctive numbers of the Series 2015 Bonds of each maturity of such series to be redeemed; (vii) in the case of Series 2015 Bonds of a series redeemed in part only, the respective portions of the principal amount of the Series 2015 Bonds of each maturity of such series to be redeemed; (viii) the CUSIP number, if any, of each maturity of Series 2015 Bonds of a series to be redeemed; (ix) a statement that such Series 2015 Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent, or at such other place or places designated by the Paying Agent; (x) notice that further interest on such Series 2015 Bonds will not accrue after the designated redemption date; and (xi) in the case



of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice.

(e) *Effect of Notice.* A certificate of the Paying Agent that notice of redemption has been given to Owners as herein provided shall be conclusive as against all parties. Neither the failure to receive the notice of redemption as provided in this Section, nor any defect in such notice shall affect the sufficiency of the proceedings for the redemption of the Series 2015 Bonds or the cessation of interest on the date fixed for redemption.

When notice of redemption has been given substantially as provided for herein, and when the redemption price of the Series 2015 Bonds called for redemption is set aside for the purpose as described in subsection (g) of this Section, the Series 2015 Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Series 2015 Bonds at the place specified in the notice of redemption, such Series 2015 Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Series 2015 Bonds so called for redemption after such redemption date shall be entitled to payment thereof only from the interest and sinking fund or the trust fund established for such purpose. All Series 2015 Bonds redeemed shall be cancelled forthwith by the Paying Agent and shall not be reissued.

(f) *Right to Rescind Notice.* The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the Owners of the Series 2015 Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the interest and sinking fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Series 2015 Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Series 2015 Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

(g) *Conditional Notice.* Any notice of optional redemption delivered hereunder may be conditioned on any fact or circumstance stated therein, and if such condition shall not have been satisfied on or prior to the redemption date stated in such notice, said notice shall be of no force and effect on and as of the stated redemption date, the redemption shall be cancelled, and the District shall not be required to redeem the Series 2015 Bonds that were the subject of the notice. The Paying Agent shall give notice of such cancellation and the reason therefor in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Series 2015 Bond of notice of such cancellation shall not be a condition precedent to cancellation, and failure to receive such notice or any defect in such notice shall not affect the validity of the cancellation.

(h) *Funds for Redemption.* Prior to or on the redemption date of any Series 2015 Bonds there shall be available in the interest and sinking fund of the District, or held in trust for such purpose as provided by law, monies for the purpose and sufficient to redeem, at the

redemption prices as in this Resolution provided, the Series 2015 Bonds designated in the notice of redemption. Such monies shall be applied on or after the redemption date solely for payment of principal of, interest and premium, if any, on the Series 2015 Bonds to be redeemed upon presentation and surrender of such Series 2015 Bonds, provided that all monies in the interest and sinking fund of the District shall be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date shall be paid from the interest and sinking fund of the District, unless otherwise provided to be paid from such monies held in trust. If, after all of the Series 2015 Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the interest and sinking fund of the District or otherwise held in trust for the payment of redemption price of the Series 2015 Bonds, the monies shall be held in or returned or transferred to the interest and sinking fund of the District for payment of any outstanding bonds of the District payable from such fund; provided, however, that if the monies are part of the proceeds of bonds of the District, the monies shall be transferred to the fund created for the payment of principal of and interest on such bonds. If no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

(i) *Defeasance of Bonds.* If at any time the District shall pay or cause to be paid or there shall otherwise be paid to the Owners of any or all of the outstanding Series 2015 Bonds all or any part of the principal, interest and premium, if any, on the Series 2015 Bonds at the times and in the manner provided herein and in the Series 2015 Bonds, or as provided in the following paragraph, or as otherwise provided by law consistent herewith, then such Owners shall cease to be entitled to the obligation of the District as provided in Section 6 hereof, and such obligation and all agreements and covenants of the District and of the County to such Owners hereunder and under the Series 2015 Bonds shall thereupon be satisfied and discharged and shall terminate, except only that the District shall remain liable for payment of all principal, interest and premium, if any, represented by the Series 2015 Bonds, but only out of monies on deposit in the interest and sinking fund or otherwise held in trust for such payment; and provided further, however, that the provisions of subsection (i) of this Section shall apply in all events.

For purposes of this Section, the District may pay and discharge any or all of the Series 2015 Bonds by depositing in trust with the Paying Agent or an escrow agent, selected by the District, at or before maturity, money or non-callable direct obligations of the United States of America (including zero interest bearing State and Local Government Series) or other non-callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America, in an amount which will, together with the interest to accrue thereon and available monies then on deposit in the interest and sinking fund of the District, be fully sufficient to pay and discharge the indebtedness on such Series 2015 Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

(j) *Unclaimed Monies.* Any money held in any fund created pursuant to this Resolution, or by the Paying Agent or an escrow agent in trust, for the payment of the principal of, redemption premium, if any, or interest on the Series 2015 Bonds and remaining unclaimed for two years after the principal of all of the Series 2015 Bonds has become due and payable (whether by maturity or upon prior redemption) shall be transferred to the interest and sinking fund of the District for payment of any outstanding bonds of the District payable from the fund;

or, if no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

**Section 8. Paying Agent.** (a) *Appointment; Payment of Fees and Expenses.* This Board of Trustees does hereby consent to and confirm the appointment of the Treasurer to act as the initial paying agent for the Series 2015 Bonds. All fees and expenses of the paying agent shall be the sole responsibility of the District, and to the extent not paid from the proceeds of sale of the Series 2015 Bonds, or from the interest and sinking fund of the District, insofar as permitted by law, including specifically by Section 15232 of the Education Code, such fees and expenses shall be paid by the District.

(b) *Resignation, Removal and Replacement of Paying Agent.* The Paying Agent initially appointed or any successor Paying Agent may resign from service as Paying Agent and may be removed at any time by the District as provided in the Paying Agent's service agreement. If at any time the Paying Agent shall resign or be removed, the District shall appoint a successor Paying Agent, which shall be any bank, trust company, national banking association or other financial institution doing business in and having a corporate trust office in California, with at least \$100,000,000 in net assets.

(c) *Principal Corporate Trust Office.* The initial Paying Agent, and any successor Paying Agent, shall designate each place or places where it will conduct the functions of transfer, registration, exchange, payment, and surrender of the Bonds, and any reference herein to the "principal corporate trust office" of the Paying Agent shall mean the office so designated for a particular purpose. If no office is so designated for a particular purpose, such functions shall be conducted at the office of the Treasurer, or the principal corporate trust office of any successor Paying Agent.

(d) *Registration Books.* The Paying Agent shall keep or cause to be kept at its principal corporate trust office sufficient books for the registration and transfer of the Series 2015 Bonds, which shall at all times be open to inspection by the District and the County, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred on the Registration Books, Series 2015 Bonds as provided in Sections 9 and 10 hereof. The Paying Agent shall keep accurate records of all funds administered by it and of all Series 2015 Bonds paid and discharged by it. Such records shall be provided, upon reasonable request, to the District in a format mutually agreeable to the Paying Agent and the District.

**Section 9. Transfer Under Book-Entry System; Discontinuation of Book-Entry System.** (a) Unless otherwise specified in the Bond Purchase Agreement, DTC is hereby appointed depository for each series of the Series 2015 Bonds and the Series 2015 Bonds shall be issued in book-entry form only, and shall be initially registered in the name of "Cede & Co.," as nominee of DTC. One bond certificate shall be issued for each maturity of each series or subseries of the Series 2015 Bonds; provided, however, that if different CUSIP numbers are assigned to Series 2015 Bonds of a series or subseries maturing in a single year or, if Series 2015 Bonds of the same series or subseries maturing in a single year are issued with different interest rates, additional bond certificates shall be prepared for each such maturity. Registered ownership

of such Series 2015 Bonds of each such maturity, or any portion thereof, may not thereafter be transferred except as provided in this Section or Section 10 hereof:

(i) To any successor of DTC, or its nominee, or to any substitute depository designated pursuant to clause (ii) of this Section (a “substitute depository”); provided, however that any successor of DTC, as nominee of DTC or substitute depository, shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(ii) To any substitute depository not objected to by the District, upon (1) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the District to substitute another depository for DTC (or its successor) because 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 (1) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository; provided that no substitute depository which is not objected to by the District can be obtained, or (2) a determination by the District that it is in the best interests of the District to remove DTC or its successor (or any substitute depository or its successor) from its functions as depository.

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) of this Section, upon receipt of the outstanding Series 2015 Bonds by the Paying Agent, together with a written request of the District to the Paying Agent, a new Series 2015 Bond for each maturity shall be executed and delivered, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to clause (iii) of subsection (a) of this Section, upon receipt of the outstanding Series 2015 Bonds by the Paying Agent together with a written request of the District to the Paying Agent, new Series 2015 Bonds shall be executed and delivered in such denominations, numbered in the manner determined by the Paying Agent, and registered in the names of such persons, as are requested in such written request of the District, subject to the limitations of Section 5 hereof and the receipt of such a written request of the District, and thereafter, the Series 2015 Bonds shall be transferred pursuant to the provisions set forth in Section 10 hereof; provided, however, that the Paying Agent shall not be required to deliver such new Series 2015 Bonds within a period of less than 60 days after the receipt of any such written request of the District.

(c) In the case of partial redemption or an advance refunding of the Series 2015 Bonds evidencing all or a portion of the principal amount then outstanding, DTC shall make an appropriate notation on the Series 2015 Bonds indicating the date and amounts of such reduction in principal.

(d) The District and the Paying Agent shall be entitled to treat the person in whose name any Series 2015 Bond is registered as the Owner thereof, notwithstanding any notice to the contrary received by the District or the Paying Agent; and the District and the Paying Agent shall

have no responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Series 2015 Bonds, and neither the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to the beneficial owners or to any other party, including DTC or its successor (or substitute depository or its successor), except for the Owner of any Series 2015 Bonds.

(e) So long as the outstanding Series 2015 Bonds are registered in the name of Cede & Co. or its registered assigns, the District and the Paying Agent shall cooperate with Cede & Co., as sole registered Owner, or its registered assigns in effecting payment of the principal of and interest on the Series 2015 Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

**Section 10. Transfer and Exchange.** (a) *Transfer.* Following the termination or removal of DTC or successor depository pursuant to Section 9 hereof, any Series 2015 Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such Series 2015 Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Paying Agent.

Whenever any Series 2015 Bond or Series 2015 Bonds shall be surrendered for transfer, the designated District officials shall execute and the Paying Agent shall authenticate and deliver, as provided in Section 4 hereof, a new Series 2015 Bond or Series 2015 Bonds, of the same maturity, Interest Date and interest rate for a like aggregate principal amount. The Paying Agent may require the payment by any Owner of Series 2015 Bonds requesting any such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

No transfer of any Series 2015 Bond shall be required to be made by the Paying Agent (i) during the period established by the Paying Agent for selection of the Series 2015 Bonds for redemption, and (ii) after any Series 2015 Bond has been selected for redemption.

(b) *Exchange.* The Series 2015 Bonds may be exchanged for Series 2015 Bonds of other authorized denominations of the same maturity, Interest Date and interest rate, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such Series 2015 Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed request for exchange in a form approved by the Paying Agent.

Whenever any Series 2015 Bond or Series 2015 Bonds shall be surrendered for exchange, the designated District officials shall execute and the Paying Agent shall authenticate and deliver, as provided in Section 4 hereof, a new Series 2015 Bond or Series 2015 Bonds of the same maturity and interest payment mode and interest rate and for a like aggregate principal amount. The Paying Agent may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

No exchange of any Series 2015 Bonds shall be required to be made by the Paying Agent (i) during the period established by the Paying Agent for selection of the Series 2015 Bonds for redemption, and (ii) after any Series 2015 Bond has been selected for redemption.



**Section 11. Bond Purchase Agreement; Sale of Bonds.** The form of Bond Purchase Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver the Bond Purchase Agreement in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that (a) the interest rate on the Series 2015 Bonds shall not exceed 8.00% per annum, (b) the true interest cost on the Series 2015 Bonds shall not exceed 4.25%, (c) the ratio of total debt service to principal of the Series 2015 Bonds shall not exceed four to one, (d) the estimated change in the assessed value of taxable property within the District over the term of the Series 2015 Bonds assumed in the structuring of the Series 2015 Bonds shall not exceed 4.00% annually, (e) the Underwriter's discount for the sale of Series 2015 Bonds shall not exceed 0.20% of the principal amount of such Series 2015 Bonds exclusive of any costs of issuance the Underwriter contracts to pay, and (f) the Series 2015 Bonds shall otherwise conform to the limitations specified herein.

The Bond Purchase Agreement shall recite the aggregate principal amount of the Series 2015 Bonds, and the date thereof, the maturity dates, principal amounts and annual rates of interest of each maturity thereof, the initial and semiannual Interest Dates thereof, and the terms of optional and mandatory sinking fund redemption thereof, if any.

The Board of Trustees hereby finds and determines that the sale of the Series 2015 Bonds at negotiated sale as contemplated herein and by the Bond Purchase Agreement will provide more flexibility in the timing of the sale, and ability to implement the sale in a shorter time period, an increased ability to structure the Series 2015 Bonds to fit the needs of particular purchasers, and greater opportunity for the Underwriter to pre-market the Series 2015 Bonds to potential purchasers prior to the sale, all of which will contribute to the District's goal of achieving the lowest overall cost of funds. Estimates of the costs associated with the issuance of the Series 2015 Bonds, including any such costs which the Underwriter may agree to pay pursuant to the Bond Purchase Agreement, are set forth on Exhibit B attached hereto and incorporated herein.

In accordance with Section 15146(h) of the Education Code, to the extent not contracted to be paid by the Underwriter, the Authorized Officers are each hereby authorized to cause to be deposited in a costs of issuance account, which may be held by a bank, national banking association or trust company meeting the qualifications necessary to be a paying agent set forth in Section 8, as cost of issuance administrator, proceeds of sale of the Series 2015 Bonds (exclusive of any premium or accrued interest received) in an amount not exceeding 2.00% of the principal amount of the Series 2015 Bonds sold, as shall be set forth in the Bond Purchase Agreement, for the purposes of paying the costs associated with the issuance of the Series 2015 Bonds.

In accordance with subsections (i) and (j) of Section 15146 of the Education Code, the Authorized Officers are each hereby authorized to cause to be deposited in the interest and sinking fund of the District proceeds of sale of the Series 2015 Bonds (in addition to any premium or accrued interest received) to fund (i) an annual reserve permitted by Section 15250 of the Education Code, and/or (ii) capitalized interest in an amount not exceeding the interest

scheduled to become due on the Series 2015 Bonds for a period of two years from the date of issuance of the Series 2015 Bonds, as shall be set forth in the Bond Purchase Agreement, if any such a deposit is deemed by the Authorized Officer executing the same to be in the best interests of the District.

**Section 12. Paying Agent Agreement.** The Paying Agent Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver the Paying Agent Agreement in substantially said form, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such determination, requirement or approval to be conclusively evidenced by the execution of the Paying Agent Agreement by such Authorized Officer.

**Section 13. Continuing Disclosure Certificate.** The Continuing Disclosure Certificate, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver the Continuing Disclosure Certificate in substantially said form, as is necessary to cause the requirements of Rule 15c2-12 to be satisfied, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such determination, requirement or approval to be conclusively evidenced by the execution of the Continuing Disclosure Certificate by such Authorized Officer.

**Section 14. Preliminary Official Statement.** The Preliminary Official Statement to be distributed in connection with the public offering of the Series 2015 Bonds, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, with such changes, insertions and omissions as may be approved by an Authorized Officer, is hereby approved, and the use of such Preliminary Official Statement by the Underwriter in connection with the offering and sale of the Series 2015 Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized to certify on behalf of the District that such Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2 12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12).

**Section 15. Official Statement.** The preparation and delivery of an Official Statement with respect to the Series 2015 Bonds, and its use by the Underwriter in connection with the offering and sale of the Series 2015 Bonds, is hereby authorized and approved. Such Official Statement shall be in substantially the form of the Preliminary Official Statement distributed in connection with the public offering of the Series 2015 Bonds with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are each hereby authorized and directed, for and in the name of and on behalf of the District, to execute the final Official Statement with respect to the Series 2015 Bonds and any amendment or supplement thereto and thereupon to cause such final Official Statement and any such amendment or supplement to be delivered to the Underwriter.

**Section 16. Investment of Proceeds.** (a) All funds held in the interest and sinking fund of the District shall be invested at the discretion of the Treasurer of the County. In the absence of written request from the District, proceeds of the Series 2015 Bonds held in the building fund of the District shall be invested at the sole discretion of the Treasurer of the County pursuant to State law, including Government Code Section 53601 *et. seq.*, as the same may be amended or supplemented from time to time, and the investment policy of the County.

(b) To the extent permitted by law (i) at the written request of an Authorized Officer, each of whom is hereby expressly authorized to make such request, all or any portion of the building fund of the District may be invested on behalf of the District in the Local Agency Investment Fund in the treasury of the State, and (ii) at the written request of an Authorized Officer, each of whom is hereby expressly authorized to make such request, all or any portion of the building fund of the District may be invested on behalf of the District, in investment agreements, including guaranteed investment contracts, float contracts or other investment products (collectively, "Investment Agreements"), which comply with the requirements of each rating agency then rating the Series 2015 Bonds necessary in order to maintain the then-current rating on the Series 2015 Bonds. Pursuant to Section 5922 of the Government Code, the Board of Trustees hereby finds and determines that the Investment Agreements will reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Investment Agreements and are designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the Series 2015 Bonds or enhance the relationship between risk and return with respect to investments of proceeds of the Series 2015 Bonds and funds held to pay the Series 2015 Bonds.

**Section 17. Tax Covenants.** (a) The District shall 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 a Tax-Exempt series of Series 2015 Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the District hereby covenants that it will comply with the requirements of the Tax Certificate to be executed by the District on the date of issuance of each Tax-Exempt series of Series 2015 Bonds. The provisions of this subsection (a) shall survive payment in full or defeasance of the Series 2015 Bonds.

(b) In the event that at any time the District is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any monies held by the Treasurer of the County on behalf of the District, in accordance with this Resolution or pursuant to law, the District shall so request of the Treasurer in writing, and the District shall make its best efforts to ensure that the Treasurer shall take such action as may be necessary in accordance with such instructions.

(c) Notwithstanding any provision of this Section, if the District shall provide to the Treasurer of the County an Opinion of Bond Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on Series 2015 Bonds under Section 103 of the Code, the Treasurer may conclusively rely on such Opinion of Bond Counsel in complying with the requirements of this Section and of each Tax Certificate with respect to the Series 2015 Bonds, and the covenants hereunder shall be deemed to be modified to that extent.



**Section 18. Professional Services.** Fieldman, Rolapp & Associates, Inc. shall serve as financial advisor to the District for the Series 2015 Bonds. Orrick, Herrington & Sutcliffe LLP shall serve as bond counsel to the District for the Series 2015 Bonds. Hawkins Delafield & Wood LLP shall serve as disclosure counsel to the District for the Series 2015 Bonds. Stifel, Nicolaus & Company, Incorporated and J.P. Morgan Securities LLC shall serve as co-underwriters for the Series 2015 Bonds.

**Section 19. Delegation of Authority.** The Authorized Officers are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, and to execute and deliver any and all contracts or agreements, including, but not limited to, agreements with bond insurers and paying agents, commitment letters, depository agreements (including for the payment of issuance costs), consultant contracts, printing contracts, and similar contracts relating to issuance of the Series 2015 Bonds, or the investment of the proceeds, and all certificates and representations, including signature certificates, no-litigation certificates, certificates concerning the contents of the Official Statement, representation letters to DTC, the Tax Certificate, the Investment Management Agreement, continuing disclosure filings and any other certificates proposed to be distributed in connection with the Series 2015 Bonds, which any of them deem necessary or desirable to accomplish the transactions authorized herein and to prepare and revise, as such officer determines appropriate, post issuance compliance procedures to insure continued compliance by the District with the covenants related to the Series 2015 Bonds. The Authorized Officers are also authorized to execute and deliver more than one of each or any of the documents approved by this Resolution should the Authorized Officers determine, in consultation with the Financial Advisor and Bond Counsel, that it is necessary or desirable to do so. All actions heretofore taken by the officers, employees and agents of the District with respect to the transactions set forth above are hereby approved, confirmed and ratified.

**Section 20. Filing with County.** The Superintendent, or such other officer or employee of the District as the Superintendent may designate, is hereby authorized and directed to report to the Auditor and Controller of the County the final terms of sale of the Series 2015 Bonds, and to file with the Auditor and Controller and with the Treasurer of the County a copy of each executed the Bond Purchase Agreement and this Resolution, and the schedule of amortization of the principal of and payment of interest on the Series 2015 Bonds, and to file with the Treasurer of the County a proposed schedule of draws on the building fund of the District, and this Resolution shall serve as the notice required to be given by Section 15140(c) of the Education Code and as the District's request to the Auditor and Controller of the County and the Board of Supervisors of the County to propose and adopt in each year a tax rate applicable to all taxable property of the District for payment of the Series 2015 Bonds, pursuant to law; and to the other officers of the County to levy and collect said taxes for the payment of the Series 2015 Bonds, to pay in a timely manner to the Paying Agent on behalf of the Owners of the Series 2015 Bonds the principal, interest, and premium, if any, due on the Series 2015 Bonds in each year, and to create in the County treasury to the credit of the District a building fund and an interest and sinking fund pursuant to Section 15146 of the Education Code.

**Section 21. 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 any resolution by the Board of Supervisors of the County authorizing the District to issue and sell the Series 2015 Bonds without the further action of the Board of Supervisors pursuant to Sections 15140 and 15146 of the Education Code, as permitted by Section 53508.7 of the Government Code. 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 22. Effective Date.** This Resolution shall take effect from and after its date of adoption.

**PASSED AND ADOPTED** this day, March 19, 2015.

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President of the Board of Trustees of the  
San Dieguito Union High School District

ATTEST:

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Clerk of the Board of Trustees of the  
San Dieguito Union High School District



maintained in the United States as specified by the Registered 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 a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates, interest payment modes, maturities and redemption provisions), in the aggregate principal amount of \$125,000,000, and designated as "San Dieguito Union High School District 2015 General Obligation Bonds (Election of 2012), Series [B-1 (Taxable)/B-2]" (the "Bonds"). The Bonds were authorized by a vote of at least 55% percent of the voters voting at an election duly and legally called, held and conducted in the District on November 6, 2012. The Bonds are issued and sold by the Board of Trustees of the District pursuant to and in strict conformity with the provisions of the Constitution and laws of the State, and of the Resolution, and subject to the more particular terms specified in the Bond Purchase Agreement, dated \_\_\_\_\_, 2015 (the "Bond Purchase Agreement"), by and between the District and Stifel, Nicolaus & Company, Incorporated and J.P. Morgan Securities LLC, as co-underwriters.

The Bonds are issuable as fully registered bonds without coupons in the denomination of \$5,000 principal amount or any integral multiple thereof, provided that no Bond shall have principal maturing on more than one principal maturity date. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Resolution, Bonds may be exchanged for a like aggregate principal amount of Bonds of the same tenor, interest payment mode, and maturity of other authorized denominations.

This Bond is transferable by the Registered Owner hereof, in person or by attorney duly authorized in writing, at the principal corporate trust office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination or denominations of the same tenor, interest payment mode, and same aggregate principal amount will be issued to the transferee in exchange herefor.

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

[The Bonds are subject to optional and mandatory sinking fund redemption on the terms and subject to the conditions specified in Appendix A hereto. If this Bond is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.]

The Board of Trustees of the District hereby certifies and declares that the total amount of indebtedness of the District, including the amount of this Bond, is within the limit provided by law; that all acts, conditions and things required by law to be done or performed precedent to and in the issuance of this Bond have been done and performed in strict conformity with the laws authorizing the issuance of this Bond; and that this Bond is in substantially the form prescribed by order of the Board of Trustees duly made and entered on its minutes. The Bonds represent an obligation payable out of the interest and sinking fund of the District, and the money for the

payment of principal of, premium, if any, and interest hereon, shall be raised by taxation upon the taxable property of the District.

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

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

**IN WITNESS WHEREOF**, the Board of Trustees of the San Dieguito Union High School District, County of San Diego, State of California, has caused this bond to be signed by its President and countersigned by the Clerk of said Board, as of the dated date set forth above.

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President of the Board of Trustees of the  
San Dieguito Union High School District

Countersigned:

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Clerk of the Board of Trustees of the  
San Dieguito Union High School District

**CERTIFICATE OF AUTHENTICATION AND REGISTRATION**

This is one of the Bonds described in the within-mentioned Resolution and authenticated and registered on \_\_\_\_\_.

**TREASURER-TAX COLLECTOR, SAN  
DIEGO COUNTY, as Paying Agent**

By: \_\_\_\_\_  
Authorized Officer

### ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto \_\_\_\_\_ the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) \_\_\_\_\_ attorney, to transfer the same on the books of the Paying 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 Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: \_\_\_\_\_

Signature Guarantee: \_\_\_\_\_  
Note: Signature must be guaranteed by an eligible guarantor institution.

**APPENDIX A TO FORM OF SERIES 2015 BOND****REDEMPTION SCHEDULE**

***Optional Redemption.*** The Taxable Bonds are not subject to redemption. The Tax-Exempt Bonds maturing on or before August 1, 20\_\_ are not subject to redemption prior to their respective stated maturity dates. The Tax-Exempt Bonds maturing on or after August 1, 20\_\_, are subject to redemption prior to their stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 20\_\_, at a redemption price equal to 100% of the principal amount called for redemption, together with interest accrued thereon to the date of redemption, without premium.

***Mandatory Sinking Fund Redemption.*** The \$\_\_\_\_\_ term Tax-Exempt Bonds maturing on August 1, 20\_\_, is also subject to mandatory sinking fund redemption on each mandatory sinking fund redemption date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to Be Redeemed
_____	_____

\*

\_\_\_\_\_  
\* Maturity.



**EXHIBIT B****ESTIMATES OF COSTS OF ISSUANCE****\$125,000,000\*****San Dieguito Union High School District  
2015 General Obligation Bonds (Election of 2012),  
Series B-1 (Taxable)  
Series B-2 (Tax-Exempt)**

Services	Firm	Payable at Closing <sup>†</sup>
Bond Counsel	Orrick, Herrington & Sutcliffe LLP	\$45,000.00
Bond Counsel - Expenses	Orrick, Herrington & Sutcliffe LLP	5,000.00
Disclosure Counsel	Hawkins Delafield & Wood LLP	27,500.00
Disclosure Counsel - Expenses	Hawkins Delafield & Wood LLP	-
Financial Advisor	Fieldman, Rolapp & Associates	49,500.00
Financial Advisor – Expenses	Fieldman, Rolapp & Associates	5,270.00
Paying Agent	U.S. Bank National Association	3,500.00
Data Service	CalMuni	1,400.00
Rating Agency	Standard & Poor's	79,000.00
Rating Agency	Moody's Investors Service	60,000.00
Printer	ImageMaster	5,000.00
Contingency		3,830.00
Total Cost of Issuance		\$285,000.00

\* Preliminary, subject to change.

† Numbers represent estimates and are subject to revision by the Financial Advisor.

### CLERK'S CERTIFICATE

I, John Salazar, Clerk of the Board of Trustees of the San Dieguito Union High School District, County of San Diego, California, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Trustees of said District duly and regularly held at the regular meeting place thereof on March 19, 2015, and entered in the minutes thereof, of which meeting all of the members of the Board of Trustees had due notice and at which a quorum thereof was present, and that at said meeting the resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

An agenda of the meeting was posted at least 72 hours before the meeting at 710 Encinitas Boulevard, Encinitas, California, a location freely accessible to members of the public, and a brief description of the resolution appeared on the agenda.

I further certify that 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 that 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: \_\_\_\_\_ 2015

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Clerk of the Board of Trustees of  
San Dieguito Union High School District

# Bond Purchase Agreement

\$ \_\_\_\_\_  
**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**  
**(County Of San Diego, State of California)**  
**2015 GENERAL OBLIGATION BONDS (ELECTION OF 2012),**  
\$ \_\_\_\_\_ **SERIES B-1 (TAXABLE)**  
\$ \_\_\_\_\_ **SERIES B-2 (TAX-EXEMPT)**

**BOND PURCHASE AGREEMENT**

April \_\_, 2015

Board of Trustees  
San Dieguito Union High School District  
710 Encinitas Boulevard  
Encinitas, California 92024

Ladies and Gentlemen:

The undersigned, Stifel, Nicolaus & Company, Incorporated (the “Representative”), acting on behalf of itself and J.P. Morgan Securities LLC (collectively, the “Underwriters”) and not as a fiduciary or agent for any other party, offers to enter into this Bond Purchase Agreement (the “Purchase Agreement”) with the San Dieguito Union High School District (the “District”), which, upon your acceptance hereof, will be binding upon both the District and the Underwriters. This offer is made subject to the written acceptance of this Purchase Agreement by the District and delivery of such acceptance to us at or prior to 11:59 P.M., Pacific Daylight Time, on the date hereof. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Paying Agent Agreement (defined below).

1. **Purchase and Sale of the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriters hereby agree to purchase from the District for reoffering to the public, and the District hereby agrees to sell to the Underwriters for such purpose, all (but not less than all) of \$\_\_\_\_\_ in aggregate principal amount of the above captioned 2015 General Obligation Bonds (Election of 2012), Series B-1 (Taxable) (the “Series B-1 Bonds”) and \$\_\_\_\_\_ in aggregate principal amount of the above captioned 2015 General Obligation Bonds (Election of 2012), Series B-2 (Tax-Exempt) (the “Series B-2 Bonds” and collectively with the Series B-1 Bonds, the “Bonds”). The Bonds shall bear interest at the rates, and shall mature in the years and shall be subject to redemption as shown on Exhibit A hereto, which is incorporated herein by this reference. The Bonds shall be dated the date of delivery (the “Date of Delivery”) thereof and shall be payable as to interest on each February 1 and August 1, commencing February 1, 2016.

The Underwriters shall purchase the Series B-1 Bonds at a price of \$\_\_\_\_\_ (which is equal to the aggregate principal amount of the Series B-1 Bonds of \$\_\_\_\_\_, less \$\_\_\_\_\_ (comprising Underwriters’ discount on the Series B-1 Bonds). The Underwriters shall purchase the Series B-2 Bonds at a price of \$\_\_\_\_\_ (which is equal to the aggregate principal amount of the Series B-2 Bonds of \$\_\_\_\_\_, plus net original issue premium of

\$ \_\_\_\_\_, less \$ \_\_\_\_\_ (comprising Underwriters' discount and costs of issuance of the Series B-2 Bonds paid pursuant to Section 12 hereof).

The District acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction between the District and the Underwriters, (ii) in connection therewith and with the discussion, undertakings and procedures leading up to the consummation of such transaction, the Underwriters are acting solely as principals and not as agents or fiduciaries of or a financial advisor to the District, (iii) the Underwriters have not assumed (individually or collectively) an advisory or fiduciary responsibility in favor of the District with respect to (x) the offering of the Bonds or the process leading thereto (whether or not either Underwriter has advised or is currently advising the District on other matters) or (y) any other obligation to the District except the obligations expressly set forth in this Purchase Agreement and (iv) the District has consulted with its own legal and other professional advisors, including Fieldman, Rolapp & Associates, Inc., as financial advisor to the District (the "Financial Advisor"), to the extent it deemed appropriate in connection with the offering of the Bonds.

The District acknowledges that it has previously provided the Underwriters with acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the Municipal Securities Rulemaking Board (the "MSRB").

2. **The Bonds.** The Bonds shall be dated their date of delivery and shall be issued and secured pursuant to the provisions of the Resolution of the Board of Trustees of the District adopted on March 19, 2015, (the "District Resolution"), the Paying Agent Agreement, dated as of April 1, 2015, by and between the District and the County of San Diego (the "County") through the office of the Treasurer-Tax Collector of the County, as paying agent for the Bonds (in such capacity, the "Paying Agent") and Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code and other applicable law (the "Act"). The Bonds shall mature on the dates shown in Exhibit A hereto, and shall otherwise be as described in the Official Statement (as defined herein).

The District has been authorized to issue the Bonds on its own behalf pursuant to a resolution of the Board of Supervisors of the County adopted on April 7, 2015 (the "County Resolution" and, together with the District Resolution, the "Resolutions") and Section 15140(b) of the California Education Code.

The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Agreement, the Paying Agent Agreement and the District Resolution. The Bonds shall be in book-entry form, shall bear CUSIP numbers, shall be in fully registered form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"); and initially be in authorized denominations of Five Thousand Dollars (\$5,000) principal amount or any integral multiple thereof.

3. **Use of Documents.** The District hereby authorizes the Underwriters to use, in connection with the offer and sale of the Bonds, this Purchase Agreement, the Preliminary Official Statement and Official Statement (defined below), the District Resolution and all information contained herein and therein and all of the documents, certificates or statements furnished by the District to the Underwriters in connection with the issuance and offering of the Bonds (except as such documents otherwise provide).

4. **Public Offering of the Bonds.** The Underwriters agree to make a bona fide public offering of all the Bonds at the initial public offering prices or yields to be set forth on the inside cover page of the Official Statement and on Exhibit A hereto. Subsequent to such initial public offering, the Underwriters reserve the right to change such initial public offering prices or yields as they deems necessary in connection with the marketing of the Bonds. The Bonds may be offered and sold to certain securities dealers at prices lower than such initial public offering prices.

5. **Review of Official Statement.** The Underwriters hereby represents that they have each received and reviewed the Preliminary Official Statement with respect to the Bonds, dated April \_\_, 2015 (the "Preliminary Official Statement"). The District represents that it has deemed the Preliminary Official Statement to be final as of its date, except for either revision or addition of the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount and maturity value, principal amount and maturity value per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing, as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12").

The Underwriters agree that prior to the time the final Official Statement (the "Official Statement") relating to the Bonds is available, the Underwriters will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

The Underwriters hereby represent that they will provide, consistent with the requirements of MSRB Rule G-32, for the delivery of a copy of the Official Statement to each customer who purchases any Bonds within twenty-five (25) days of the Closing (defined herein), and deliver a copy of the Official Statement to a repository recognized by the MSRB on or before the Closing, and that they will otherwise comply with all applicable statutes and regulations in connection with the offering and sale of the Bonds, including, without limitation, MSRB Rule G-32 and Rule 15c2-12, promulgated by the Securities and Exchange Commission.

References herein to the Preliminary Official Statement and the final Official Statement include the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto.

6. **Closing.** At 9:00 A.M., Pacific Daylight Time, on April \_\_, 2015 or at such other time or on such other date as shall have been mutually agreed upon by and between the District and the Representative (the "Closing"), the District will cause to be delivered to the Underwriters (except as otherwise provided in the District Resolution) through the facilities of DTC utilizing DTC's FAST delivery system, or at such other place as we may mutually agree upon, the Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and at the offices of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), in San Francisco, California, the other documents hereinafter mentioned; and the Underwriters will accept such delivery and pay the purchase price thereof in immediately available funds by check, draft or wire transfer to or upon the order of the District.

7. **Representations, Warranties and Agreements of the District.** The District hereby represents, warrants and agrees with the Underwriters that:

(a) Due Organization of the District. The District is a school district duly established and validly existing under the laws of the State of California, with the power to issue the Bonds pursuant to the Act.

(b) Due Authorization. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to enter into this Purchase Agreement and the Paying Agent Agreement, to adopt the District Resolution, to perform its obligations under each such document or instrument, to approve the Official Statement and to carry out and effectuate the transactions contemplated by this Purchase Agreement, the Official Statement, the Paying Agent Agreement and the District Resolution; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds, the District Resolution, the Paying Agent Agreement and this Purchase Agreement have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Agreement constitutes a valid and legally binding obligation of the District; and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Agreement.

(c) Consents. Except for the actions of the parties hereto, no consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any person, organization, court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds, the execution and delivery of this Purchase Agreement and the Paying Agent Agreement, the adoption of the District Resolution, or the consummation of the other transactions effected or contemplated herein or hereby, which have not been taken or obtained, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Representative may reasonably request; provided, however, that the District shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

(d) Internal Revenue Code. The District has complied with the Internal Revenue Code of 1986, as amended, with respect to the Bonds.

(e) No Conflicts. To the best knowledge of the District, the issuance of the Bonds, and the execution, delivery and performance of this Purchase Agreement, the Paying Agent Agreement, the District Resolution, and the Bonds, and the compliance with the provisions hereof and thereof do not conflict with or constitute on the part of the District a violation of, or default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject.

(f) Litigation. As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending or, to the best knowledge of the District, threatened: (i) in

any way affecting the existence of the District or in any way challenging the titles of the officials of the District who are required to execute any contracts, certificates, or official statements in connection with the delivery of the Bonds to their respective offices, or the powers of those offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, the levy or collection of *ad valorem* property taxes by the County on behalf of the District required to be collected and applied to pay the principal of and interest on the Bonds, or the application of the proceeds thereof, or, the levy of any taxes contemplated by the District Resolution, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Agreement, the Paying Agent Agreement, or the District Resolution or contesting the powers of the District or its authority with respect to the Bonds, the District Resolution, the Paying Agent Agreement or this Purchase Agreement; or (iii) in which a final adverse decision could (A) materially adversely affect the operations of the District or the consummation of the transactions consummated by this Purchase Agreement, or the District Resolution, (B) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (C) adversely affect the exclusion of the interest paid on the Series B-2 Bonds from gross income for federal income tax purposes and the exemption of interest paid on the Bonds from California personal income taxation.

(g) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Representative, neither the District directly, nor any person on behalf of the District, will have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement.

(h) Levy of Tax. The District hereby agrees to take any and all actions as may be required by the County or otherwise necessary in order to arrange for the levy and collection of taxes, payment of the Bonds, and the deposit and investment of Bond proceeds. In particular, the District hereby agrees to provide to the County Treasurer-Tax Collector a copy of the District Resolution and the Paying Agent Agreement, a copy of Exhibit A hereto, and the full debt service schedule for the Bonds, in accordance with Education Code Section 15140(c) and policies and procedures of the County.

(i) Certificates. Any certificates signed by any officer of the District and delivered to the Underwriters shall be deemed a representation and warranty by the District to the Underwriters, but not by the person signing the same, as to the statements made therein.

(j) Continuing Disclosure. In accordance with the requirements of Rule 15c2-12, at or prior to the Closing, the District shall have duly authorized, executed and delivered a continuing disclosure certificate (the "Continuing Disclosure Certificate") on behalf of each obligated person for which financial and/or operating data is presented in the Official Statement. The Continuing Disclosure Certificate shall comply with the provisions of Rule 15c2-12 and be substantially in the form attached to the Official Statement as Appendix D. The District has not within the last five years failed to comply in any material respect with any undertaking to provide annual reports or notices of certain events pursuant to Rule 15c2-12.



(k) Interim Financial Report. The District has not designated its most recent interim financial report as qualified or negative, nor has such interim financial report received a qualified or negative certification or designation from the County Superintendent of Schools.

(l) Official Statement Accurate and Complete. The Preliminary Official Statement (except for information regarding DTC and its book-entry only system, and information regarding the investment portfolio, policies, practices and valuation procedures of the County Treasurer-Tax Collector), at the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. At the date hereof and on the Closing Date, the final Official Statement (except for information regarding DTC and its book-entry only system, and information regarding the investment portfolio, policies, practices and valuation procedures of the County Treasurer-Tax Collector) does not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

8. **Covenants of the District.** The District covenants and agrees with the Underwriters that:

(a) Securities Laws. The District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriters if and as the Representative may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions, provided, however, that the District shall not be required to consent to service of process in any jurisdiction in which it is not so subject as of the date hereof;

(b) Application of Proceeds. The District will apply the proceeds from the sale of the Bonds for the purposes specified in the District Resolution and the Paying Agent Agreement;

(c) Official Statement. The District hereby agrees to deliver or cause to be delivered to the Underwriters, not later than the seventh (7th) business day following the date this Purchase Agreement is signed, and in sufficient time to accompany any confirmation that requests payment from any customer, copies of a final Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Representative and the District (such Official Statement with such changes, if any, and including the cover page and all appendices, exhibits, reports and statements included therein or attached thereto being herein called the "Official Statement") in such quantities as may be requested by the Representative, in order to permit the Underwriters to comply with paragraph (b)(4) of Rule 15c2-12 and with the rules of the MSRB. The District hereby authorizes the Underwriters to use and distribute the Official Statement in connection with the offering and sale of the Bonds;

(d) Subsequent Events. The District hereby agrees to notify the Representative of any event or occurrence that may affect the accuracy or completeness of any information set forth in the Official Statement relating to the District until the date which is twenty-five

(25) days following the Closing or until such time (if earlier) as the Underwriters shall no longer hold any of the Bonds for sale;

(e) References. References herein to the Preliminary Official Statement and the final Official Statement include the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto; and

(f) Amendments to Official Statement. During the period ending on the 25th day after the End of the Underwriting Period (or such other period as may be agreed to by the District and the Underwriters), the District (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Representative and (ii) shall notify the Representative promptly if any event shall occur, or information comes to the attention of the District, that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Representative, such event requires the preparation and distribution of a supplement or amendment to the Official Statement, the District shall prepare and furnish to the Underwriters, at the District's expense, such number of copies of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the District and the Representative, as the Representative may reasonably request. If such notification shall be given subsequent to the Closing, the District also shall furnish, or cause to be furnished, at its own expense, such additional legal opinions, certificates, instruments and other documents as the Representative may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement.

For purposes of this Agreement, the "End of the Underwriting Period" is used as defined in Rule 15c2-12 and shall occur on the later of (x) the date of Closing or (y) when the Underwriters no longer retain an unsold balance of the Bonds; unless otherwise advised in writing by the Representative on or prior to the Closing Date, or otherwise agreed to by the District and the Underwriters, the District may assume that the End of the Underwriting Period is the Closing Date.

**9. Representations and Agreements of the Underwriters.** The Underwriters represent to and agree with the District that, as of the date hereof and as of the date of the Closing:

(a) The Representative is duly authorized to execute this Purchase Agreement on behalf of the Underwriters and to take any action under this Purchase Agreement required to be taken by it.

(b) Each Underwriter is in compliance with MSRB Rule G-37 with respect to the District, and neither Underwriter is prohibited thereby from acting as underwriter with respect to securities of the District.

(c) The Underwriters have, and have had, no financial advisory relationship with the District with respect to the Bonds, as such term is defined in California Government Code

Section 53590(c) or MSRB Rule G-23, and no investment firm controlling, controlled by or under common control with the Underwriters has or has had any such financial advisory relationship.

**10. Conditions to Closing.** The Underwriters have entered into this Purchase Agreement in reliance upon the representations and warranties of the District contained herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriters' obligations under this Purchase Agreement are and shall be subject, at the option of the Representative, to the following further conditions at the Closing:

(a) Representations True. The representations and warranties of the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and the District shall be in compliance with each of the agreements made by it in this Purchase Agreement;

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, this Purchase Agreement, the Paying Agent Agreement, the Continuing Disclosure Certificate and the District Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Representative; (ii) all actions under the Act which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the District shall perform or have performed all of their obligations required under or specified in the District Resolution, this Purchase Agreement, the Paying Agent Agreement, the Continuing Disclosure Certificate or the Official Statement to be performed at or prior to the Closing;

(c) Adverse Rulings. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District, pending or threatened which has any of the effects described in Section 7(f) hereof or contesting in any way the completeness or accuracy of the Official Statement;

(d) Marketability. Between the date hereof and the Closing, the market price or marketability or the ability of the Underwriters to enforce contracts for the sale of the Bonds, at the initial offering prices set forth in the Official Statement, of the Bonds shall not have been materially adversely affected in the judgment of the Representative (evidenced by a written notice to the District terminating the obligation of the Underwriters to accept delivery of and pay for the Bonds) by reason of any of the following:

(i) legislation enacted or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(A) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service, with the purpose or effect, directly or indirectly, of causing inclusion in gross income for purposes of federal income taxation of the interest received by the owners of the Series B-2 Bonds; or

(B) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended;

(ii) legislation enacted by the legislature of the State of California (the "State"), or a decision rendered by a court of the State, or a ruling, order, or regulation (final or temporary) made by State authority, which would have the effect of changing, directly or indirectly, the State tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof, or

(iii) the formal declaration of war by Congress or a new major engagement in or escalation of military hostilities by order of the President of the United States, or the occurrence of any other declared national emergency that interrupts or causes disorder to the operation of the financial markets in the United States;

(iv) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange;

(v) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, either Underwriter;

(vi) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws, as amended and then in effect;

(vii) the withdrawal, review, downgrading or placement on credit watch of any underlying rating of any of the District's outstanding indebtedness by a national rating agency;

(viii) any event occurring, or information becoming known which, in the reasonable judgment of the Representative, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading and, in either such event, the District refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds; or

(ix) the suspension by the SEC of trading in the outstanding securities of the District.

(e) Delivery of Documents. At or prior to the date of the Closing, Bond Counsel shall deliver sufficient copies of each of the following documents, in each case dated as of the Closing Date and satisfactory in form and substance to the Representative:

(i) Bond Opinions. The approving opinions of Bond Counsel (A) as to the validity of the Series B-1 Bonds, and (B) as to the validity and tax exempt status of the Series B-2 Bonds, in each case dated the date of the Closing and addressed to the District in substantially the forms set forth in the Preliminary Official Statement and the Official Statement in Appendix C;

(ii) Reliance Letter. A reliance letter from Bond Counsel to the effect that the Underwriters can rely upon the opinion described in (e)(1) above;

(iii) Supplemental Opinion of Bond Counsel. A supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the District and the Underwriters, to the effect that:

(A) the description of the Bonds and the security for the Bonds and statements in the Official Statement on the cover page thereof and under the captions "INTRODUCTION," "PLAN OF FINANCE," "THE BONDS," "TAX MATTERS," and "LEGAL MATTERS," to the extent they purport to summarize certain provisions of the District Resolution, the Paying Agent Agreement, the Continuing Disclosure Certificate, and California law or federal law, fairly and accurately summarize the matters purported to be summarized therein; provided that Bond Counsel need not express any opinion with respect to any financial or statistical data, information concerning the Depository Trust Company or related to its book-entry only system contained therein;

(B) this Purchase Agreement, the Paying Agent Agreement, and the Continuing Disclosure Certificate have each been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid and

binding agreements of the District and are enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except as their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought and by the limitations on legal remedies against public agencies in the state of California; and

(C) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Paying Agent Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(iv) Disclosure Counsel Opinion. The opinion of Hawkins Delafield & Wood LLP, Disclosure Counsel to the District ("Disclosure Counsel"), dated the Closing Date and addressed to the Underwriters, to the effect that based on such counsel's participation in conferences with representatives of the District, the Underwriters, the Paying Agent, their respective counsels, the Financial Advisor, and others, during which conferences the contents of the Official Statement and related matters were discussed, and in reliance thereon and on the records, documents, certificates and opinions described therein, such counsel advises the District and the Underwriters that, during the course of its engagement as disclosure counsel no facts came to the attention of such counsel's attorneys rendering legal services in connection with such representation which caused such counsel to believe that the Official Statement as of its date and as of the Closing (except for any CUSIP numbers, financial, accounting, statistical, economic or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information regarding DTC or its book-entry system, the Underwriters, and Appendices B, C, E and F, included or referred to therein, as to which such counsel need express no opinion or view) contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(v) District Certificate. A certificate signed by appropriate officials of the District to the effect that (A) such officials are authorized to execute this Purchase Agreement, (B) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing, (C) the District has complied with all the terms of the District Resolution, the Paying Agent Agreement, and this Purchase Agreement, which are necessary to be complied with by the District prior to or concurrently with the Closing and such documents are in full force and effect, (D) such District officials have reviewed the Preliminary Official Statement and the Official Statement and on such basis certify that the Preliminary Official Statement and the Official Statement as of its date and as of the Closing Date (excluding therefrom information regarding DTC and its book-entry only system, and information regarding the investment portfolio, policies, practices and valuation procedures of the County Treasurer-Tax Collector, as to which no view



need be expressed) does not contain any untrue statement of a material fact nor omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (E) the Bonds being delivered on the date of the Closing to the Underwriters under this Purchase Agreement substantially conform to the descriptions thereof contained in the Paying Agent Agreement;

(vi) Tax Certificate. A non-arbitrage certificate of the District in form satisfactory to Bond Counsel;

(vii) Rating. Evidence satisfactory to the Representative that (A) the Bonds shall have been rated “\_\_\_” by Moody’s Investors Service (“Moody’s”) and “\_\_\_” by Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“S&P”), (or such other equivalent ratings as such rating agencies may give), and (B) that any such ratings have not been revoked or downgraded;

(viii) District Resolution. A certificate, together with fully executed copies of the District Resolution and the Paying Agent Agreement, of the Secretary to the District Board of Trustees to the effect that:

(A) such copies are true and correct copies of the District Resolution and Paying Agent Agreement; and

(B) that the District Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing;

(ix) Official Statement. A certificate of the appropriate official of the District evidencing his or her determinations respecting the Preliminary Official Statement in accordance with Rule 15c2-12;

(x) Continuing Disclosure Certificate. An executed copy of the Continuing Disclosure Certificate, substantially in the form presented in the Official Statement as Appendix D thereto;

(xi) Underwriters’ Counsel Opinion. The opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, counsel to the Underwriters, dated the Closing Date and addressed to the Underwriters, in form and substance satisfactory to the Representative; and

(xii) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Representative or Bond Counsel may reasonably request to evidence compliance (A) by the District with legal requirements, (B) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained and of the Official Statement, and (C) the due performance or satisfaction by the District at or prior to such time of all

agreements then to be performed and all conditions then to be satisfied by the District.

(f) **Termination.** Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Bonds shall not have been delivered by the District to the Underwriters as provided in Section 6 hereof, then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect except with respect to the obligations of the District and the Underwriters under Section 14 hereof.

If the District shall be unable to satisfy the conditions to the Underwriters' obligations contained in this Purchase Agreement or if the Underwriters' obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be canceled by the Representative at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the District in writing, or by telephone or telegraph, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriters may be waived by the Representative in writing at its sole discretion.

11. **Conditions to Obligations of the District.** The performance by the District of its obligations is conditioned upon (a) the performance by the Underwriters of their obligations hereunder; and (b) receipt by the District and the Underwriters of opinions and certificates being delivered at the Closing by persons and entities other than the District.

12. **Costs of Issuance; Expenses.**

(a) The Underwriters hereby agree to pay (or to cause to be paid) costs of issuance of the Series B-2 Bonds including but not limited to the following: (i) the cost of the preparation and reproduction of the District Resolution and the Paying Agent Agreement; (ii) the fees and disbursements of Bond Counsel and Disclosure Counsel; (iii) the cost of the preparation, printing and delivery of the Series B-2 Bonds; (iv) the fees, if any, for bond ratings, including all necessary travel expenses; (v) the cost of the printing and distribution of the Preliminary Official Statement and the Official Statement; (vi) the fees of the Paying Agent; (vii) the fees and expenses of the Financial Advisor; (viii) the fees of any fiscal agent of the Underwriters retained for the purpose of disbursing amounts in respect of such expenses; (ix) the fees and disbursements of counsel to the Underwriters; and (x) any other fees and expenses incident to the issuance and sale of the Series B-2 Bonds identified in writing by the District; provided that, the total amount of such costs of issuance of the Series B-2 Bonds to be paid by the Underwriters shall not exceed \$\_\_\_\_\_. Any remaining costs of issuance of the Series B-2 Bonds shall be paid by the District. In the event that the total costs of issuance set forth above and paid by the Underwriters equal less than \$\_\_\_\_\_, the Underwriters shall retain such remaining amount. The Underwriters shall provide the District with evidence of the payment of such costs following the Closing.

(b) The District shall pay (or cause to be paid) any costs of issuance of the Series B-1 Bonds (including but not limited to all of the types of costs, fees, and disbursements listed above with respect to the Series B-2 Bonds) from the net proceeds thereof.



(c) Notwithstanding any of the foregoing, the Underwriters shall pay all out-of-pocket expenses of the Underwriters, including the California Debt and Investment Advisory Commission fee, travel and other expenses (except those expressly provided above).

13. **Notices.** Any notice or other communication to be given under this Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the District, to the Superintendent of the San Dieguito Union High School District, 710 Encinitas Boulevard, Encinitas, California 92024; or if to the Representative, to Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, 35th Floor, San Francisco, California 94104, Attention: Ralph Holmes.

14. **Parties in Interest; Survival of Representations and Warranties.** When accepted by the District in writing as heretofore specified, this Purchase Agreement shall constitute the entire agreement between the District and the Underwriters. This Purchase Agreement is made solely for the benefit of the District and the Underwriters (including the successors or assigns of the Underwriters). No person shall acquire or have any rights hereunder or by virtue hereof. All representations, warranties and agreements of the District in this Purchase Agreement shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriters, (b) delivery of and payment by the Underwriters for the Bonds hereunder, and (c) any termination of this Purchase Agreement.

15. **Severability.** In the event any provision of this Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof.

16. **Nonassignment.** Notwithstanding anything stated to the contrary herein, neither party hereto may assign or transfer its interest herein, or delegate or transfer any of its obligations hereunder, without the prior consent of the other party hereto.

17. **Execution in Counterparts.** This Purchase Agreement may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document.

[REMAINDER OF PAGE LEFT BLANK]

18. **Applicable Law.** This Purchase Agreement shall be interpreted, governed and enforced in accordance with the laws of the State of California applicable to contracts made and performed in such State.

Very truly yours,

STIFEL, NICOLAUS & COMPANY,  
INCORPORATED, acting on behalf of itself and  
J.P. Morgan Securities LLC, as Underwriters

By: \_\_\_\_\_  
Authorized Representative

The foregoing is hereby agreed to and accepted as of the date first above written:

SAN DIEGUITO UNION HIGH SCHOOL  
DISTRICT

By: \_\_\_\_\_  
Associate Superintendent, Business Services

ACCEPTED at \_\_\_\_\_ Pacific Daylight Time  
this \_\_\_th day of April, 2015

**EXHIBIT A**

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
(County Of San Diego, State of California)  
2015 GENERAL OBLIGATION BONDS (ELECTION OF 2012),  
\$\_\_\_\_\_ SERIES B-1 (TAXABLE)**

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield
_____	_____	_____	_____

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
(County Of San Diego, State of California)  
2015 GENERAL OBLIGATION BONDS (ELECTION OF 2012),  
\$\_\_\_\_\_ SERIES B-2 (TAX-EXEMPT)**

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield
_____	_____	_____	_____

\$\_\_\_\_\_ % Term Bond due August 1, 20\_\_; Yield \_\_\_\_\_ %

<sup>†</sup> Yield to call at par on August 1, 2023.

**Redemption**

**Optional Redemption.** The Tax-Exempt Bonds maturing on or before August 1, 20\_\_ are not subject to redemption prior to their respective stated maturity dates. The Tax-Exempt Bonds maturing on or after August 1, 20\_\_, are subject to redemption prior to their stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 20\_\_,

at a redemption price equal to 100% of the principal amount called for redemption, together with interest accrued thereon to the date of redemption, without premium.

***Mandatory Sinking Fund Redemption.*** The \$\_\_\_\_\_ term Tax-Exempt Bond maturing on August 1, 20\_\_, is also subject to mandatory sinking fund redemption on each mandatory sinking fund redemption date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to Be Redeemed
_____	

\_\_\_\_\_  
\* Maturity.

# Paying Agent Agreement

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
2015 GENERAL OBLIGATION BONDS (ELECTION OF 2012)  
SERIES B-1 (TAXABLE) AND SERIES B-2 (TAX-EXEMPT)**

**PAYING AGENT AGREEMENT**

May 1, 2015

THIS PAYING AGENT AGREEMENT (the “Agreement”), is entered into as of May 1, 2015, between the San Dieguito Union High School District (the “District”), and the Office of the Treasurer–Tax Collector, San Diego County, California (the “County”), as Paying Agent and Registrar.

*RECITALS*

**WHEREAS** the District has duly authorized and provided for the issuance of its Bonds, entitled the “San Dieguito Union High School District 2015 General Obligation Bonds (Election of 2012), Series B-1 (Taxable) and Series B-2 (Tax-Exempt)” (the “Bonds”) in an aggregate principal amount of \$125,000,000. The Bonds will be issued as fully registered bonds without coupons;

**WHEREAS** the District will ensure that all things necessary to make the Bonds the valid obligations of the District, in accordance with their terms and the requirements of State of California (“State”) law, will be done upon the issuance, sale and delivery thereof;

**WHEREAS** the District and the County wish to provide the terms under which County will act as Paying Agent to pay the principal, redemption premium (if any), and interest on the Bonds, in accordance with the terms thereof, and under which the County will act as Registrar for the Bonds;

**WHEREAS** the County has agreed to serve in such capacities for and on behalf of the District and has full power and authority to perform and serve as Paying Agent and Registrar for the Bonds; and

**WHEREAS** the District and the County have each authorized the execution and delivery of this Agreement; and all things necessary to make this Agreement a valid agreement have been done.

**NOW, THEREFORE**, it is mutually agreed as follows:

**ARTICLE I**

**DEFINITIONS**

**Section 1.01 Definitions.**

For all purposes of this Agreement except as otherwise expressly provided or unless the context otherwise requires:

“Bond” or “Bonds” means any one or all of the \$125,000,000 in aggregate principal amount of bonds entitled “San Dieguito Union High School District 2015 General Obligation Bonds (Election of 2012), Series B-1 (Taxable) and Series B-2 (Tax-Exempt).”

“Bond Register” means the book or books of registration kept by the County in which are maintained the names and addresses of, and principal amounts registered to, each Registered Owner.

“Bond Resolution” means the Resolution of the District pursuant to which the Bonds were issued.

“County” means the Office of the Treasurer–Tax Collector, County of San Diego, California.

“District” means San Dieguito Union High School District.

“District Request” means a written request signed in the name of the District and delivered to the County.

“DTC” or “Depository” 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 securities depository for the Bonds.

“Fiscal Year” means the fiscal year of the District ending on June 30 of each year.

“Paying Agent” means the County when it is performing the function of paying agent for the Bonds.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government or any entity whatsoever.

“Purchase Agreement” means that certain Bond Purchase Agreement entered into by and between the District and the initial underwriter or underwriters of the Bonds. A copy of the Purchase Agreement shall be included in the transcript of proceedings prepared for the Bonds and furnished to the County.

“Registered Owner” means a Person in whose name a Bond is registered in the Bond Register.

“Registrar” means the County when it is performing the function of registrar and/or transfer agent for the Bonds.

## ARTICLE II

### APPOINTMENT OF COUNTY AS PAYING AGENT AND REGISTRAR

#### **Section 2.01 Appointment and Acceptance.**

The District hereby appoints the County to act as Paying Agent with respect to the Bonds, to pay, or to provide for payment, to the Registered Owners in accordance with the terms and provisions of this Agreement, the Bond Resolution, and the Purchase Agreement, the principal of, redemption premium (if any), and interest on all or any of the Bonds.

The District hereby appoints the County as Registrar with respect to the Bonds. As Registrar, the County shall keep and maintain for and on behalf of the District books and records as to the ownership of the Bonds and with respect to the transfer and exchange thereof as provided herein and in the Bond Resolution.

The County hereby accepts its appointment, and agrees to act as Paying Agent and Registrar.

#### **Section 2.02 Compensation.**

As compensation for the County's services as Paying Agent and Registrar, the District hereby agrees to pay the County the fees and amounts set forth in Exhibit A.

In addition, the District agrees to reimburse the County, upon its request, for all reasonable and necessary out-of-pocket expenses, disbursements, and advances, including without limitation the reasonable fees, expenses, and disbursements of its agents and attorneys made or incurred by the County in connection with entering into and performing under this Agreement, and in connection with investigating and defending itself against any claim or liability in connection with its performance hereunder.

## ARTICLE III

### PAYING AGENT

#### **Section 3.01 Duties of Paying Agent.**

As Paying Agent, the County, provided sufficient collected funds have been provided to it for such purpose by or on behalf of the District, shall pay on behalf of the District the principal of, redemption premium (if any), and interest on each Bond in accordance with the provisions of the Bond Resolution, the Bonds, and the Purchase Agreement.

As long as DTC is the registered owner of the Bonds and DTC's book-entry method is used for the Bonds, the Paying Agent will send any notice of redemption or other notices to owners only to DTC.



**Section 3.02 Payment Dates.**

The District hereby instructs the County to pay the principal of, redemption premium (if any), and interest on the Bonds on the dates specified in the Bond Resolution, the Bonds and the Purchase Agreement.

**ARTICLE IV****REGISTRAR****Section 4.01 Initial Delivery of Bonds.**

The Bonds will be initially registered and delivered through DTC's book-entry system to or upon the order of the purchaser designated by the District as one Bond for each maturity. If the Bonds are not to be issued through DTC's book-entry system and such purchaser delivers a written request to the County not later than five business days prior to the date of initial delivery, the County will, on the date of initial delivery, deliver Bonds of authorized denominations, registered in accordance with the instructions in such written request.

**Section 4.02 Duties of Registrar.**

The County shall provide for the proper registration of transfer, exchange and replacement of the Bonds. Every Bond surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an eligible guarantor institution, in form acceptable to the County, duly executed by the Registered Owner thereof or his attorney duly authorized in writing. The Registrar may request any supporting documentation it deems necessary or appropriate to effect a re-registration.

Any Bond may be exchanged for Bonds of the same series of like tenor, maturity and principal 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.

**Section 4.03 Unauthenticated Bonds.**

If the Bonds are not DTC book-entry bonds, the District shall provide to the County on a continuing basis, an adequate inventory of unauthenticated Bonds to facilitate transfers. The County agrees that it will maintain such unauthenticated Bonds in safekeeping.

**Section 4.04 Form of Bond Register.**

The County as Registrar will maintain its records as Bond Registrar in accordance with the County's general practices and procedures in effect from time to time. The County as Paying Agent will keep or cause to be kept at its principal office sufficient books for the registration and transfer of the Bonds, which upon reasonable notice shall be open to inspection by the District.

**Section 4.05 Reports.**

The District may request the information in the Bond Register at any time the County is customarily open for business, provided that reasonable time is allowed the County to provide an up-to-date listing and to convert the information into written form.

The County will not release or disclose the content of the Bond Register to any person other than to the District at its written request, except upon receipt of a subpoena or court order or as may otherwise be required by law. Upon receipt of a subpoena or court order the County will notify the District.

**Section 4.06 Cancelled Bonds.**

All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the County, shall be promptly cancelled by it and, if surrendered to the District, shall be delivered to the County and, if not already cancelled, shall be promptly cancelled by the County. The District may at any time deliver to the County for cancellation any Bonds previously authenticated and delivered which the District may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the County. All cancelled Bonds shall be held by the County for its retention period then in effect and shall thereafter be destroyed and evidence of such destruction furnished to the District upon its written request.

**ARTICLE V****THE COUNTY****Section 5.01 Duties of County.**

The County undertakes to perform the duties set forth herein. No implied duties or obligations shall be read into this Agreement against the County. The County hereby agrees to use the funds deposited with it for payment of the principal of, redemption premium (if any), and interest on the Bonds to pay the same as it shall become due and further agrees to establish and maintain such accounts and funds as may be required for the County to function as Paying Agent.

**Section 5.02 Reliance on Documents, Etc.**

The County may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the County by the District.

The County shall not be liable for any error of judgment made in good faith. The County shall not be liable for other than its negligence or willful misconduct in connection with any act or omission hereunder.

No provision of this Agreement shall require the County to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

The County may rely, or be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The County need not examine the ownership of any Bond, but shall be protected in acting upon receipt of Bonds containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Registered Owner or agent of the Registered Owner.

If the Bonds are book-entry DTC bonds, the County has no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership or interest on the Bonds.

The County may consult with counsel, and the written advice or opinion of counsel shall be full authorization and protection with respect to any action taken, suffered or omitted by it hereunder in good faith and reliance thereon.

The County may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys and shall not be liable for the actions of such agent or attorney if appointed by it with reasonable care.

#### **Section 5.03 Recitals of District.**

The recitals contained in the Bond Resolution and the Bonds shall be taken as the statements of the District, and the County assumes no responsibility for their correctness.

#### **Section 5.04 May Own Bonds.**

The County, in its individual or any other capacity, may become the owner or pledgee of Bonds with the same rights it would have if it were not the Paying Agent and Registrar for the Bonds.

#### **Section 5.05 Money Held by County.**

Money held by the County hereunder need not be segregated from other funds. The County, as Paying Agent, shall have no duties with respect to investment of funds deposited with it and shall be under no obligation to pay interest on any money received by it hereunder. Money deposited in the District's interest and sinking fund and building fund and invested in the County investment pool and invested by the County Treasurer pursuant to its duties as Treasurer prior to the principal and interest payment dates of the Bonds are not funds held by the County as Paying Agent hereunder and the District is entitled to receive interest earnings on such funds.

Any money deposited with the County for the payment of the principal of, redemption premium (if any), or interest on any Bond and remaining unclaimed for one year after such deposit will be paid by the County to the District, and the District and the County agree that the Registered Owner of such Bond shall thereafter look only to the District for payment thereof, and that all liability of the County with respect to such moneys shall thereupon cease.

**Section 5.06 Other Transactions.**

The County may engage in or be interested in any financial or other transaction with the District.

**Section 5.07 Interpleader.**

The District and the County agree that the County may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in a court of competent jurisdiction. The District and the County further agree that the County has the right to file an action in interpleader in any court of competent jurisdiction to determine the rights of any person claiming any interest herein.

**Section 5.08 Indemnification.**

The District shall indemnify the County, its officers, directors, employees and agents (“Indemnified Parties”) for, and hold them harmless against any loss, cost, claim, liability or expense arising out of or in connection with the County’s acceptance or administration of the County’s duties hereunder or under the Bond Resolution (except any loss, liability or expense as may be adjudged by a court of competent jurisdiction to be attributable to the County’s negligence or willful misconduct), including the cost and expense (including its counsel fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement. Such indemnity shall survive the termination or discharge of this Agreement or discharge of the Bonds.

**ARTICLE VI**

**MISCELLANEOUS PROVISIONS**

**Section 6.01 Amendment.**

This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

**Section 6.02 Assignment.**

This Agreement may not be assigned by either party without the prior written consent of the other party.

**Section 6.03 Notices.**

Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the District or the County shall be mailed or delivered to the District or the County, respectively, at the address shown herein, or such other address as may have been given by one party to the other by fifteen (15) days written notice.

**Section 6.04 Effect of Headings.**

The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

**Section 6.05 Successors and Assigns.**

All covenants and agreements herein by the District and the County shall bind their successors and assigns, whether so expressed or not.

**Section 6.06 Severability.**

If any provision of this Agreement shall be determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

**Section 6.07 Benefits of Agreement.**

Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim hereunder.

**Section 6.08 Entire Agreement.**

This Agreement and the Bond Resolution constitute the entire agreement between the parties hereto relative to the County acting as Paying Agent and Registrar.

**Section 6.09 Counterparts.**

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

**Section 6.10 Term and Termination.**

This Agreement shall be effective from and after its date and until the County resigns or is removed by an instrument filed with the County and signed by the District in accordance with the Bond Resolution. The County may resign at any time and upon the appointment of a successor be discharged of its duties and obligations by giving written notice thereof to the District. If the County shall resign, be removed or become incapable of acting, the District shall promptly appoint a successor Paying Agent and Registrar. A successor Paying Agent shall be appointed by the District with the written consent of the County Treasurer, which consent shall not be unreasonably withheld. If an instrument of acceptance by a successor Paying Agent and Registrar shall not have been delivered to the County within thirty days after the County gives notice of resignation, the County may petition any court of competent jurisdiction at the expense of the District for the appointment of a successor Paying Agent and Registrar. In the event of resignation or removal of the County as Paying Agent and Registrar, upon the written request of the District and upon payment of all amounts owing to the County hereunder the County shall deliver to the District or its designee all funds and unauthenticated Bonds, and a copy of the

Bond Register. The provisions of Section 2.02 and Section 5.08 hereof shall survive and remain in full force and effect following the termination of this Agreement.

**Section 6.11 Governing Law.**

This Agreement shall be construed in accordance with and shall be governed by the laws of the State of California.

**Section 6.12 Documents to be Filed with County.**

At the time of the County's appointment as Paying Agent and Registrar, the District shall file with the County the following documents: (a) certified copies of the Bond Resolution and a specimen Bond; (b) a copy of the opinion of bond counsel provided to the District in connection with the issuance of the Bonds; (c) a District Request containing written instructions to the County with respect to the issuance and delivery of the Bonds, including the name of the Registered Owners and the denominations of the Bonds; and (d) if bond proceeds are to be held at the County (other than as Paying Agent), a Closing Memorandum Addendum, to be reviewed by Bond Counsel, providing instructions to the County for the deposit of all bond proceeds.

**Section 6.13 Execution in Counterparts.**

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

IN WITNESS WHEREOF, the parties have caused this Paying Agent Agreement, relating to the SAN DIEGUITO UNION HIGH SCHOOL DISTRICT 2015 GENERAL OBLIGATION BONDS (ELECTION OF 2012), SERIES B-1 (TAXABLE) AND SERIES B-2 (TAX-EXEMPT), to be duly executed by their officers duly authorized as of the date first written above.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**

By \_\_\_\_\_  
Authorized Representative

**COUNTY OF SAN DIEGO, OFFICE OF  
THE TREASURER-TAX COLLECTOR  
OF THE COUNTY OF SAN DIEGO,  
CALIFORNIA, as Paying Agent**

By \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**  
**FEE SCHEDULE**

<u>Service Type</u>	<u>Fee</u>	<u>Frequency</u>
A bond with no series	\$1,500	At closing and annually
A bond with series	\$1,000 per issue	At closing and \$1,500 annually
Each additional series	Add \$500 per series	

Note: The District is responsible for any extraordinary costs associated with paying agent activities as provided in Section 2.02. The District will be notified of any extraordinary costs.



## Continuing Disclosure Certificate

**CONTINUING DISCLOSURE CERTIFICATE****San Dieguito Union High School District  
2015 General Obligation Bonds (Election of 2012)  
Series B-1 (Taxable) and Series B-2 (Tax-Exempt)**

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the San Dieguito Union High School District (the “District”) in connection with the issuance of the San Dieguito Union High School District 2015 General Obligation Bonds (Election of 2012), Series B-1 (Taxable) and the San Dieguito Union High School District 2015 General Obligation Bonds (Election of 2012), Series B-2 (Tax-Exempt) (collectively, the “Bonds”). The Bonds are being issued as authorized by a resolution adopted by the Board of Trustees of the District on March 17, 2015, and in accordance with the terms of a Paying Agent Agreement, dated as of April 1, 2015 (the “Paying Agent Agreement”), by and between the District and the County of San Diego (the “County”), as paying agent (the “Paying Agent”). The District covenants and agrees as follows:

**SECTION 1. Purpose of the Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

**SECTION 2. Definitions.** In addition to the definitions set forth in the Paying Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean the District, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“Holder” shall mean the person in whose name any Bond shall be registered.

“Listed Events” shall mean any of the events listed in Section 5(a) or (b) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant

to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB currently located at <http://emma.msrb.org>.

“Participating Underwriters” shall mean J.P. Morgan Securities LLC and Stifel Nicolaus & Company, Inc., or the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

### SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District’s fiscal year (presently June 30), commencing with the Annual Report for the fiscal year of the District ending June 30, 2015 (which is due no later than March 31, 2016), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Each Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. Neither the Trustee nor the Dissemination Agent shall have any duties or responsibilities with respect to the contents of the Annual Report. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the District shall provide the Annual Report to the Dissemination Agent and the Paying Agent (if the Paying Agent is not the Dissemination Agent). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the District and the Paying Agent to determine if the District is in compliance with the first sentence of this subsection (b).

(c) If the Paying Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Paying Agent shall send a notice, in electronic format, to the MSRB, such notice to be in substantially the form attached as Exhibit A.

(d) If the Annual Report is delivered to the Dissemination Agent for filing, the Dissemination Agent shall file a report with the District and (if the Dissemination Agent is not the Paying Agent) the Paying Agent certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and stating the date it was provided.

SECTION 4. Content of Annual Reports. The District’s Annual Report shall contain or include by reference the following:

- \* Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the District's audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available.

To the extent not included in the audited financial statement of the District, the Annual Report shall also include the following:

- \* Adopted budget of the District for the current fiscal year, or a summary thereof, and any interim budget reports approved as of the date of filing of the Annual Report.
- \* District average daily attendance.
- \* District outstanding debt.
- \* Information regarding total assessed valuation of taxable properties within the District, if and to the extent provided to the District by the County.
- \* Information regarding total secured tax charges and delinquencies on taxable properties within the District, if and to the extent provided to the District by the County.

Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB website. If the document included by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each such other document so included by reference.

#### SECTION 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;

4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
6. Tender offers;
7. Defeasances;
8. Rating changes; or
9. Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), other notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other events affecting the tax status of the Bonds;
2. Modifications to rights of Bond holders;
3. Optional, unscheduled or contingent Bond calls;
4. Release, substitution, or sale of property securing repayment of the Bonds;
5. Non-payment related defaults;
6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination

of a definitive agreement relating to any such actions, other than pursuant to its terms; or

7. Appointment of a successor or additional trustee or the change of name of a trustee.

(c) The District shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3, as provided in Section 3(b).

(d) Whenever the District obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the District shall determine if such event would be material under applicable federal securities laws.

(e) If the District learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the District shall within ten business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the District.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(e), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate; provided that any such action may be instituted only in Superior Court of the State of California in and for the County of San Diego or in U.S. District Court in or nearest to the County. The sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: April \_\_, 2015

SAN DIEGUITO UNION HIGH SCHOOL  
DISTRICT

By \_\_\_\_\_  
Associate Superintendent,  
Business Services



**CONTINUING DISCLOSURE EXHIBIT A**

**FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD  
OF FAILURE TO FILE ANNUAL REPORT**

Name of District: SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
Name of Bond Issue: SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
2015 GENERAL OBLIGATION BONDS (ELECTION OF 2012),  
SERIES B-1 (TAXABLE) AND SERIES B-2 (TAX-EXEMPT)  
Date of Issuance: April \_\_, 2015

**NOTICE IS HEREBY GIVEN** that the District has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Certificate of the District, dated the Date of Issuance. [The District anticipates that the Annual Report will be filed by \_\_\_\_\_.]

Dated: \_\_\_\_\_

SAN DIEGUITO UNION HIGH SCHOOL  
DISTRICT

By \_\_\_\_\_  
Authorized Signatory

# Preliminary Official Statement

**PRELIMINARY OFFICIAL STATEMENT DATED [APRIL 8, 2015]**

ITEM 20

**RATINGS:** Moody's: "\_\_\_\_"  
S&P: "\_\_\_\_"

(See "MISCELLANEOUS – Ratings" herein.)

*In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Tax-Exempt Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel is also of the opinion that interest on the Taxable Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Tax-Exempt Bonds and the Taxable Bonds. See "TAX MATTERS" herein.*

**[\$Aggregate Par Amount]\***  
**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**  
**(County of San Diego, California)**  
**2015 GENERAL OBLIGATION BONDS (ELECTION OF 2012)**  
**[\$B-1 PAR AMOUNT]\* SERIES B-1 (TAXABLE)**  
**[\$B-2 PAR AMOUNT]\* SERIES B-2 (TAX-EXEMPT)**

**Dated: Date of Delivery****Due: August 1, as shown on inside cover.**

The [B-1 Par Amount]\* 2015 General Obligation Bonds (Election of 2012), Series B-1 (Taxable) (the "Taxable Bonds") and the [B-2 Par Amount]\* 2015 General Obligation Bonds (Election of 2012), Series B-2 (Tax-Exempt) (the "Tax-Exempt Bonds" and, together with the Taxable Bonds, the "Bonds") are being issued by the San Dieguito Union High School District (the "District"), located in the County of San Diego (the "County"). The Bonds are general obligation bonds of the District approved by voters within the District and payable from *ad valorem* property taxes levied by the County on property within the District. The County is empowered and obligated to levy such *ad valorem* property taxes upon all property within the District subject to taxation by the District without limitation of rate or amount (except as to certain personal property that is taxable at limited rates) for the payment of the principal of and interest on the Bonds, all as more fully described herein. The Bonds are issued pursuant to provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53506 *et seq.*, Chapter 1 of Part 10 of Division 1 of Title 1 of the California Education Code, commencing with Section 15100 *et seq.*, the Proposition AA Authorization and a resolution adopted by the Board of Trustees of the District on March 19, 2015 and a Paying Agent Agreement, dated as of April 1, 2015, by and between the District and the Treasurer-Tax Collector of the County, as paying agent thereunder (the "Paying Agent").

The Bonds are being issued to finance specific construction, acquisition and modernization projects approved by the voters, fund capitalized interest and pay costs of issuance incurred in connection with the issuance of the Bonds. See "Estimated Sources and Uses of Funds" and "Plan of Finance" herein.

Interest on the Bonds is payable commencing on February 1, 2016, and thereafter on each February 1 and August 1 to maturity or redemption prior thereto. Principal of the Bonds is payable on August 1 in each of the years and in the amounts set forth in the Maturity Schedules on the inside cover hereof. Payments of principal of and interest on the Bonds will be made by the Paying Agent to The Depository Trust Company, New York, New York ("DTC"), for subsequent disbursement to DTC Participants, who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS – General Provisions" herein and Appendix F – "BOOK-ENTRY ONLY SYSTEM" attached hereto.

The Bonds will be initially issued in book-entry form only and will be initially issued and registered in the name of Cede & Co., as nominee for DTC. The Bonds will be issued in denominations of \$5,000 principal amount or any integral multiple thereof. DTC will act as securities depository for the Bonds. Owners will not receive certificates representing their interests in the Bonds. See Appendix F – "BOOK-ENTRY ONLY SYSTEM" attached hereto.

The Bonds are subject to redemption prior to maturity. See "The Bonds – Redemption" herein.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR GENERAL REFERENCE ONLY. IT IS NOT INTENDED TO BE A SUMMARY OF THE SECURITY OR TERMS OF THIS ISSUE. INVESTORS ARE ADVISED TO READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

**Stifel****J.P. Morgan**

*The Bonds will be offered when, as and if issued by the District, and received by the Underwriters, subject to the approval as to their legality by Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the District, and certain*

\* Preliminary, subject to change.

*other conditions. Certain legal matters will also be passed upon for the District by its Disclosure Counsel, Hawkins Delafield & Wood LLP, Los Angeles, California, and for the Underwriters by their counsel, Stradling Yocca Carlson & Rauth Professional Corporation, San Francisco, California. Fieldman Rolapp & Associates, Inc. is serving as Financial Advisor to the District in connection with the issuance of the Bonds. The Bonds, in book-entry form, will be available for delivery through the facilities of DTC on or about April \_\_, 2015.*

This Official Statement is dated \_\_\_\_\_, 2015.

**MATURITY SCHEDULES\***

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
(County of San Diego, California)  
2015 GENERAL OBLIGATION BONDS (ELECTION OF 2012)  
\$[B-1 PAR AMOUNT]\* SERIES B-1 (TAXABLE)**

<u>Maturity Date (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP<sup>†</sup> (Base: 797508)</u>
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**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
(County of San Diego, California)  
2015 GENERAL OBLIGATION BONDS (ELECTION OF 2012)  
\$[B-2 PAR AMOUNT]\* SERIES B-2 (TAX-EXEMPT)**

<u>Maturity Date (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP<sup>†</sup> (Base: 797508)</u>
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\* Preliminary, subject to change.

† Copyright 2015, American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, operated on behalf of the ABA by S&P Capital IQ, a division of McGraw-Hill Financial, Inc. CUSIP data herein are set forth for convenience of reference only. The District, the Financial Advisor and the Underwriters assume no responsibility for the selection or uses of the CUSIP data or for the accuracy or correctness of such data. The CUSIP number for a specific maturity of the Bonds is subject to being changed after the delivery of the Bonds as a result of various subsequent actions.

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds by the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon an exemption under Section 3(a)2 thereof. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy Bonds in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth herein other than that furnished by the District, although obtained from sources which are believed to be reliable, is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.

The District maintains a website. However, the information presented on that website is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds.

**In connection with this offering, the Underwriters may overallocate or effect transactions which stabilize or maintain the market prices of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Bonds to certain securities dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the preceding pages hereof and said public offering prices may be changed from time to time by the Underwriters.**

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**

**Board of Trustees**

Beth Hergesheimer

*President*

Amy Herman

*Vice President*

John Salazar

*Clerk*

Joyce Dalessandro

*Trustee*

Maureen "Mo" Muir

*Trustee*

**District Administration**

Rick Schmitt

*Superintendent*

Eric Dill

*Associate Superintendent,*

*Business Services*

John Addleman

*Director of Planning Services*

**SAN DIEGO COUNTY**

**Paying Agent**

Dan McAllister

*Treasurer-Tax Collector*

**PROFESSIONAL SERVICES**

**Financial Advisor**

Fieldman, Rolapp & Associates, Inc.

*Irvine, California*

**Bond Counsel**

Orrick, Herrington & Sutcliffe LLP

*San Francisco, California*

**Disclosure Counsel**

Hawkins Delafield & Wood LLP

*Los Angeles, California*

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
INTRODUCTION .....	1
General .....	1
The District.....	1
Proposition AA Authorization.....	2
Authority for the Issuance of Bonds.....	3
Security and Sources of Payment for the Bonds .....	3
Continuing Disclosure.....	3
Tax Matters .....	3
Other Information.....	4
PLAN OF FINANCE .....	4
ESTIMATED SOURCES AND USES OF FUNDS .....	5
THE BONDS .....	5
General Provisions .....	5
Redemption .....	6
Defeasance of Bonds .....	8
Investment of Bond Proceeds .....	8
Unclaimed Moneys .....	8
SCHEDULED DEBT SERVICE.....	9
SECURITY AND SOURCES OF PAYMENT FOR THE BONDS .....	11
California Constitutional and Statutory Provisions Relating to <i>Ad valorem</i> Property Taxes .....	11
Property Taxation System .....	12
Assessed Valuation of Property Within the District.....	13
Tax Rate .....	18
Tax Collections and Delinquencies .....	19
TAX MATTERS .....	23
Tax-Exempt Bonds.....	23
Taxable Bonds.....	24
LEGAL MATTERS .....	27
Continuing Disclosure.....	27
Legality for Investment in California .....	27
Limitation on Remedies; Amounts Held in the County Treasury Pool .....	28
Certain Legal Matters.....	28
LITIGATION .....	28
FINANCIAL STATEMENTS.....	28
MISCELLANEOUS .....	29
Ratings.....	29
Financial Advisor .....	29
Underwriting .....	29
Additional Information.....	30
 <b><u>APPENDICES</u></b>	
APPENDIX A – DISTRICT FINANCIAL AND OPERATING INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION .....	A-1
APPENDIX B – FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2014.....	B-1
APPENDIX C – PROPOSED FORM OF APPROVING OPINION OF BOND COUNSEL .....	C-1
APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE.....	D-1
APPENDIX E – SAN DIEGO COUNTY TREASURY POOL.....	E-1
APPENDIX F – BOOK-ENTRY ONLY SYSTEM.....	F-1



**[\$Aggregate Par Amount]\***  
**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**  
**(County of San Diego, California)**  
**2015 GENERAL OBLIGATION BONDS (ELECTION OF 2012)**  
**[\$B-1 PAR AMOUNT]\* SERIES B-1 (TAXABLE)**  
**[\$B-2 PAR AMOUNT]\* SERIES B-2 (TAX-EXEMPT)**

## INTRODUCTION

*This Introduction is only a brief description of, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page through the appendices hereto, and the documents summarized or described herein. The offering of the Bonds to potential investors is made only by means of the entire Official Statement. A full review should be made of the entire Official Statement.*

### General

This Official Statement, which includes the cover page through the appendices hereto, is provided to furnish information in connection with the sale of the [B-1 Par Amount]\* 2015 General Obligation Bonds (Election of 2012), Series B-1 (Taxable) (the “Taxable Bonds”) and the [B-2 Par Amount]\* 2015 General Obligation Bonds (Election of 2012), Series B-2 (Tax-Exempt) (the “Tax-Exempt Bonds” and, together with the Taxable Bonds, the “Bonds”) by the San Dieguito Union High School District (the “District”). The Bonds are being issued to finance specific construction, acquisition and modernization projects approved by the voters, fund capitalized interest and pay costs of issuance incurred in connection with the issuance of the Bonds. See “Estimated Sources and Uses of Funds” and “Plan of Finance” herein.

### The District

The District consists of approximately 85 square miles of territory in the northern portion of San Diego County (the “County”), California (the “State”). The District educates students from five feeder elementary school districts: Encinitas, Cardiff, Solana Beach, Del Mar and Rancho Santa Fe. The District operates four high schools, four middle schools, one continuation high school and one adult education program. More detailed information regarding the area served by the District, the student population of the District, and the financial position of the District may be found under Appendix A – “DISTRICT FINANCIAL AND OPERATING INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION” attached hereto.

Enrollment in the District for grades 7-12 in the 2013-14 school year was 12,497 students, and was 12,538 as of October 2, 2014, which was above the 12,490 projected for school year 2014-15.

In Fiscal Year 2014-15, the District has budgeted for approximately 964.85 employees. Budgeted full-time-equivalent positions (“FTEs”) from all funds include 565.69 FTE certificated (credentialed teaching) staff, 335.46 FTE classified (non-teaching) staff, and 63.7 FTE management and supervisory/other personnel. The District has projected general fund expenditures of approximately \$112.1 million as of its Second Interim Report for Fiscal Year 2014-15. Total assessed valuation of taxable property in the District in Fiscal Year 2014-15 is approximately \$53 billion.

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\* Preliminary, subject to change.

The management and policies of the District are administered by a Superintendent of Schools and a staff which provides business, pupil, personnel, administrative personnel, and instruction support services. The District is governed by a common five-member Board of Trustees (the "Board"), each of whom is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. The District's day-to-day operations are managed by the board-appointed Superintendent of Schools.

For additional information about the District's operations and finances, see Appendix A – "DISTRICT FINANCIAL AND OPERATING INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION" and Appendix B – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2014" attached hereto.

### **Proposition AA Authorization**

***Proposition AA Authorization.*** Voters within the District approved \$449 million of general obligation bonds at an election held on November 6, 2012 (the "Proposition AA Authorization"). The general obligation bonds were approved for the purpose of "provid[ing] safe, modern schools and prepare students for success in college and careers by repairing and upgrading outdated classrooms and schools, construction and upgrading school facilities, including classrooms, science labs, and libraries, improving safety and security, and supporting career training and math, science, and technology instruction with 21st Century instructional technology and facilities." The District has heretofore issued \$160 million of bonds under the Proposition AA Authorization (the "2013 Bonds"). Prior to the issuance of the Bonds described herein, the District has \$333 million of unissued general obligation bonds pursuant to the Proposition AA Authorization. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

Pursuant to Sections 15102 and 15268 of the Education Code, the District's bonding capacity for general obligation bonds may not exceed 1.25% of taxable property value in the District as shown by the last equalized assessment of the County. The taxable property valuation in the District for Fiscal Year 2014-15 is approximately \$52.7 billion, which results in a total current bonding capacity of approximately \$658.7 million.

***Independent Citizens' Oversight Committee.*** Pursuant to Section 1(b)(3) of Article XIII A of the State Constitution, Chapters 1 and 1.5 of Part 10 of Division 1 of Title 1 of the State Education Code, as amended, and other applicable law (collectively, the "Act"), the District Board has appointed an Independent Citizens' Oversight Committee (the "Oversight Committee"). The Oversight Committee, which must have no fewer than seven members, is currently comprised of nine members. The membership of the Oversight Committee includes: one member who is active in a business organization representing the business community located within the District, one member who is active in a senior citizens organization, one member who is in a bona fide taxpayers' organization, one member who is a parent of a District student and is active in a parent-teacher organization, and one member who is a parent/guardian of a District student. Members of the Oversight Committee serve two year terms, with the term of each member currently expiring in June 2017, with no compensation. Members of the Oversight Committee meet quarterly to provide oversight of the District's use of Proposition AA bond proceeds and report to the District Board and public on their findings, including the use of funds in support of the projects included in the Proposition AA Authorization and not for unspecified projects, general operating expenses, or teacher salaries. The District's outside auditor, Wilkinson Hadley King & Co. LLP, currently prepares the required bond audit regarding the expenditures of general obligation bond proceeds.

### **Authority for the Issuance of Bonds**

The Bonds are issued pursuant to provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53506 *et seq.*, Chapter 1 of Part 10 of Division 1 of Title 1 of the California Education Code, commencing with Section 15100 *et seq.*, the Proposition AA Authorization, a resolution adopted by the District Board on March 19, 2015 (the “Resolution”), and a Paying Agent Agreement, dated as of April 1, 2015 (the “Paying Agent Agreement”), by and between the District and the Treasurer-Tax Collector of the County, as paying agent thereunder (the “Paying Agent”).

### **Security and Sources of Payment for the Bonds**

Interest on the Bonds is payable commencing on February 1, 2016, and thereafter on each February 1 and August 1 to maturity or redemption prior thereto. Principal of the Bonds is payable on August 1 in each of the years and in the amounts set forth in the Maturity Schedules on the inside cover hereof. Payments of principal of and interest on the Bonds will be made by the Paying Agent to the Depository Trust Company, New York, New York (“DTC”), for subsequent disbursement to DTC Participants, who will remit such payments to the beneficial owners of the Bonds. See “THE BONDS – General Provisions” herein and Appendix F – “BOOK-ENTRY ONLY SYSTEM” attached hereto.

The Bonds are general obligation bonds of the District approved by voters within the District and are payable from *ad valorem* property taxes levied by the County on property within the District which the Board of Supervisors of the County (the “County Board”) is empowered and obligated to levy upon all property within the District subject to taxation by the District without limitation of rate or amount (except as to certain personal property which is taxable at limited rates) for the payment of the principal of and interest on the Bonds. Such *ad valorem* property taxes are deposited in the Debt Service Fund of the District which is held by the County and may only be applied to pay the principal of and interest on the District’s general obligation bonds, including the Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.

### **Continuing Disclosure**

The District has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District (the “Annual Report”) for each fiscal year by not later than nine months following the end of the District’s fiscal year (currently ending June 30) commencing with the Annual Report for Fiscal Year 2014-15, and to provide notices of the occurrence of certain specified events (collectively, the “Listed Events”). The information to be contained in the Annual Report and in a notice of a Listed Event is set forth in Appendix D – “FORM OF CONTINUING DISCLOSURE CERTIFICATE” attached hereto. The District will provide or cause to be provided the Annual Report and such notices to the Municipal Securities Rulemaking Board in the manner prescribed by the Securities and Exchange Commission (“SEC”). These covenants have been made in order to assist the Underwriters in complying with SEC Rule 15c2-12(b)(5) (the “Rule”). See “Legal Matters – Continuing Disclosure” herein.

### **Tax Matters**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the

further opinion of Bond Counsel, interest on the Tax-Exempt Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel is also of the opinion that interest on the Taxable Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Tax-Exempt Bonds and the Taxable Bonds. See “TAX MATTERS” herein.

### **Other Information**

This Official Statement contains brief descriptions of, among other things, the District, the Resolution and certain matters relating to the security for the Bonds. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to documents are qualified in their entirety by reference to such documents. Copies of such documents are available by request to the [District Contact] following the issuance of the Bonds. The District may impose a fee for copying and shipping for any such documents.

### **PLAN OF FINANCE**

A portion of the proceeds of the Bonds will be applied to fund the costs of various components of the projects set forth under the Proposition AA Authorization to provide “safe, modern schools and prepare students for success in college and careers by repairing and upgrading outdated classrooms and schools, construction and upgrading school facilities, including classrooms, science labs, and libraries, improving safety and security, and supporting career training and math, science, and technology instruction with 21st Century instructional technology and facilities.”

The Taxable Bonds are being issued to finance specific construction, acquisition and modernization projects approved pursuant to the Proposition AA Authorization, including \_\_\_\_\_, and to pay and prepay certain lease payments with respect to the Lease Revenue Bonds, Series 2010A (Qualified School Construction Bonds – Direct Subsidy) of the San Dieguito Public Facilities Authority (the “Authority”). Such payments shall be paid and prepaid in order to enable the Authority to make payments on, and redeem on or about \_\_\_\_\_. **[ADDITIONAL DESCRIPTION OF PROJECTS TO COME.]**

The Tax-Exempt Bonds are being issued to finance specific construction, acquisition and modernization projects approved pursuant to the Proposition AA Authorization, including \_\_\_\_\_. **[ADDITIONAL DESCRIPTION OF PROJECTS TO COME.]**

**ESTIMATED SOURCES AND USES OF FUNDS**

The estimated sources and uses of the proceeds of the Bonds are shown below:

	<u>Taxable Bonds</u>	<u>Tax-Exempt Bonds</u>	<u>Total</u>
<b>Estimated Sources of Funds</b>			
Principal Amount			
Net Original Issue Premium			
<b>Total Sources</b>			
<b>Estimated Uses of Funds</b>			
Deposit to Building Fund			
Deposit to Escrow Fund			
Deposit to Interest and Sinking Fund			
Underwriters' Discount			
Costs of Issuance <sup>(1)</sup>			
<b>Total Uses</b>			

<sup>(1)</sup> Includes fees of Bond Counsel, Disclosure Counsel, the Paying Agent, the Financial Advisor, the rating agencies and other miscellaneous expenses.

**THE BONDS****General Provisions**

The Bonds will be dated the date of their delivery, and bear interest at the rates set forth on the preceding pages hereof, payable by check or draft on February 1 and August 1 of each year, commencing on February 1, 2016 (each, an "Interest Payment Date"), until payment of the principal amount thereof, computed using a year of 360 days consisting of twelve 30-day months. Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless it is authenticated after the close of business on the 15th day of the calendar month immediately preceding an Interest Payment Date (each a "Record Date") and on or prior to the succeeding Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from its dated date; provided, however, that if, at the time of authentication of any Bond, interest is in default on any outstanding Bonds, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Bonds.

The principal of and interest on the Bonds shall be payable in lawful money of the United States of America to the Owner thereof, upon the surrender thereof at the principal corporate trust office of the Paying Agent. The money for the payment of principal of and interest on the 2015 Bonds shall payable out of the interest and sinking fund of the District. The Depository Trust Company is appointed depository for the Bonds and the Bonds shall be issued in book-entry form only, and shall be initially registered in the name of "Cede & Co.," as nominee of DTC. So long as the outstanding Bonds are registered in the name of Cede & Co. or its registered assigns, the District and the Paying Agent shall cooperate with Cede & Co., as sole registered Owner, or its registered assigns in effecting payment of the principal of and interest on the Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due. So long as the Bonds are held by Cede & Co., as nominee of DTC, payment will be made by wire transfer. See Appendix F – "BOOK-ENTRY ONLY SYSTEM" attached hereto.

The Bonds will be issued in fully registered book-entry form only, as current interest bonds, in denominations of \$5,000 principal amount each or any integral multiple thereof. The Bonds will initially be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the Bonds. Registered ownership of the Bonds may not be transferred except as described in Appendix F. Purchases of Bonds under the DTC system must be made by or through a DTC participant, and ownership interests in Bonds or any transfer thereof will be recorded as entries on the books of said participants. Except in the event that use of this book-entry system is discontinued for the Bonds, beneficial owners will not receive physical certificates representing their ownership interests. See Appendix F – “BOOK-ENTRY ONLY SYSTEM” attached hereto.

**Redemption**

**Optional Redemption.** \* The Taxable Bonds are not subject to redemption.

The Tax-Exempt Bonds maturing on or before August 1, 20\_\_ are not subject to redemption prior to their respective stated maturity dates. The Tax-Exempt Bonds maturing on or after August 1, 20\_\_, are subject to redemption prior to their stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 20\_\_, at a redemption price equal to 100% of the principal amount called for redemption, together with interest accrued thereon to the date of redemption, without premium.

**Mandatory Sinking Fund Redemption.** \* The \$\_\_\_\_\_ term Tax-Exempt Bonds maturing on August 1, 20\_\_, is also subject to mandatory sinking fund redemption on each mandatory sinking fund redemption date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to Be Redeemed
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\*

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\* Maturity.

Unless otherwise specified in writing by the District, the principal amount to be redeemed in each year shown in the table above will be reduced proportionately, in integral multiples of \$5,000, by the amount of such term Tax-Exempt Bond optionally redeemed prior to the mandatory sinking fund redemption date.

**Selection of Bonds for Redemption.** If less than all of the Bonds are subject to such redemption and are called for redemption, such Bonds shall be redeemed in inverse order of maturities or as otherwise directed by the District, and if less than all of the Bonds of any given maturity are called for redemption, the portions of such bonds of a given maturity to be redeemed shall be determined by lot.

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\* Preliminary, subject to change.



**Notice of Redemption.** Notice of redemption of the Bonds will be mailed postage prepaid not less than 20 nor more than 60 days prior to any redemption date (i) by first class mail to the respective Owners thereof at the addresses appearing on the bond registration books of the Paying Agent, and (ii) as may be further required in accordance with the Continuing Disclosure Certificate.

Each notice of redemption shall state (i) the date of such notice; (ii) the name of the Bonds and the date of issue of the Bonds; (iii) the redemption date; (iv) the redemption price; (v) the series of Bonds and the dates of maturity or maturities of Bonds to be redeemed; (vi) if less than all of the Bonds of a series of any maturity are to be redeemed, the distinctive numbers of the Bonds of each maturity of such series to be redeemed; (vii) in the case of Bonds of a series redeemed in part only, the respective portions of the principal amount of the Bonds of each maturity of such series to be redeemed; (viii) the CUSIP number, if any, of each maturity of Bonds of a series to be redeemed; (ix) a statement that such Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent, or at such other place or places designated by the Paying Agent; (x) notice that further interest on such Bonds will not accrue after the designated redemption date; and (xi) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice.

**Effect of Notice of Redemption.** When notice of redemption has been given substantially as described for herein, and when the redemption price of the Bonds called for redemption is set aside for such purpose, the Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Bonds so called for redemption after such redemption date shall be entitled to payment thereof only from the interest and sinking fund or the trust fund established for such purpose. All Bonds redeemed shall be cancelled by the Paying Agent and shall not be reissued.

A certificate of the Paying Agent that notice of redemption has been given to Owners as herein provided shall be conclusive as against all parties. Neither the failure to receive the notice of redemption, nor any defect in such notice shall affect the sufficiency of the proceedings for the redemption of the Bonds or the cessation of interest on the date fixed for redemption.

**Rescission of Notice of Redemption.** The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the Owners of the Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the interest and sinking fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

**Conditional Notice.** Any notice of optional redemption delivered under the Resolution may be conditioned on any fact or circumstance stated therein, and if such condition shall not have been satisfied on or prior to the redemption date stated in such notice, said notice shall be of no force and effect on and as of the stated redemption date, the redemption shall be cancelled, and the District shall not be required to redeem the Bonds that were the subject of the notice. The Paying Agent shall give notice of such cancellation and the reason therefor in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Bond of notice of such cancellation shall not be a condition precedent to cancellation, and failure to receive such notice or any defect in such notice shall not affect the validity of the cancellation.

### **Defeasance of Bonds**

If at any time the District shall pay or cause to be paid or there shall otherwise be paid to the Owners of any or all of the outstanding Bonds all or any part of the principal, interest and premium, if any, on the Bonds at the times and in the manner provided in the Resolution and in the Bonds, or as described in the following paragraph, or as otherwise provided by law consistent herewith, then such Owners shall cease to be entitled to the obligation of the District, and such obligation and all agreements and covenants of the District and of the County to such Owners under the Resolution and under the Bonds shall thereupon be satisfied and discharged and shall terminate, except only that the District shall remain liable for payment of all principal, interest and premium, if any, represented by the Bonds, but only out of monies on deposit in the interest and sinking fund or otherwise held in trust for such payment.

The District may pay and discharge any or all of the Bonds by depositing in trust with the Paying Agent or an escrow agent, selected by the District, at or before maturity, money or non-callable direct obligations of the United States of America (including zero interest bearing State and Local Government Series) or other non-callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America, in an amount which will, together with the interest to accrue thereon and available monies then on deposit in the interest and sinking fund of the District, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

### **Investment of Bond Proceeds**

A portion of the proceeds of sale of the Bonds, exclusive of any premium received, will be deposited in the County treasury to the credit of the Building Fund of the District. Any premium will be deposited upon receipt in the Interest and Sinking Fund of the District within the County treasury. All funds held by the Treasurer-Tax Collector with respect to the Bonds will be invested at the Treasurer-Tax Collector's discretion pursuant to law and the investment policy of the County. See Appendix E – "SAN DIEGO COUNTY TREASURY POOL" attached hereto.

To the extent permitted by law, all or any portion of the building fund of the District may be invested on behalf of the District, in investment agreements, including guaranteed investment contracts, float contracts or other investment products (collectively, "Investment Agreements"), which comply with the requirements of each rating agency then rating the Bonds necessary in order to maintain the then-current rating on the Bonds. Any such Investment Agreement will be subject to the County's investment policies.

### **Unclaimed Moneys**

Any money held in any fund created pursuant to the Resolution, or by the Paying Agent or an escrow agent in trust, for the payment of the principal of, redemption premium, if any, or interest on the Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and



payable (whether by maturity or upon prior redemption) shall be transferred to the interest and sinking fund of the District for payment of any outstanding bonds of the District payable from the fund; or, if no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

### **SCHEDULED DEBT SERVICE**

The following table sets forth the annual debt service obligations in each year ending August 1 for all of the District's outstanding general obligation bonds and the Bonds (assuming no optional redemption of any such bonds). See Appendix A – "DISTRICT FINANCIAL AND OPERATING INFORMATION AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION" attached hereto.

Period Ending (August 1)	Outstanding General Obligation Bonds <sup>(1)</sup>	General Obligation Bonds Annual Debt Service Schedule				The Bonds Aggregate Debt Service	Aggregate Debt Service
		Taxable Bonds		Tax-Exempt Bonds			
		Principal	Interest	Principal	Interest		
2015	\$11,605,400						
2016	6,015,050						
2017	6,015,050						
2018	6,950,050						
2019	7,297,650						
2020	7,669,850						
2021	8,045,050						
2022	8,452,450						
2023	8,878,200						
2024	9,320,950						
2025	9,788,450						
2026	9,952,950						
2027	10,242,950						
2028	10,436,200						
2029	10,710,200						
2030	11,238,800						
2031	11,796,000						
2032	12,394,400						
2033	13,011,000						
2034	13,663,600						
2035	14,344,200						
2036	15,065,000						
2037	15,817,600						
2038	16,608,800						
<b>Total<sup>(2)</sup></b>	<u>\$255,319,850</u>						

<sup>(1)</sup> Preliminary, subject to change.

<sup>(2)</sup> Amounts may not equal total due to rounding.

Source: San Dieguito Union High School District.

## SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

The Bonds are general obligation bonds of the District approved by voters within the District and are payable from *ad valorem* property taxes levied by the County on property within the District which the County Board is empowered and obligated to levy upon all property within the District subject to taxation by the District without limitation of rate or amount (except as to certain personal property which is taxable at limited rates) for the payment of the principal of and interest on the Bonds. Such *ad valorem* property taxes are deposited in the Debt Service Fund for the Bonds held by the County and applied only to pay the principal of and interest on the Bonds. The levy may include an allowance for an annual reserve established for the purpose of avoiding fluctuating tax levies.

### California Constitutional and Statutory Provisions Relating to *Ad valorem* Property Taxes

**Article XIII A of the California Constitution.** On June 6, 1978, California voters approved Proposition 13, adding Article XIII A to the California Constitution. Article XIII A, among other things, affects the valuation of real property for the purpose of taxation in that it defines the full cash property value to mean “the county assessor’s valuation of real property as shown on the 1975/76 tax bill under ‘full cash value,’ or thereafter, the appraised value of real property newly constructed, or when a change in ownership has occurred after the 1975 assessment.” The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or a reduction in the consumer price index or comparable local data for the area under taxing jurisdiction, or reduced in the event of declining property value caused by substantial damage, destruction or other factors including a general economic downturn. Any reduction in assessed value is temporary and may be adjusted for any given year by the Assessor. The assessed value increases to its pre-reduction level (escalated to the annual inflation rate of no more than two percent) following the year(s) for which the reduction is applied. On June 3, 1986, California voters approved Proposition 46, which added an additional exemption to the 1% tax limitation imposed by Article XIII A. Under this amendment to Article XIII A, local governments and school districts may increase the *ad valorem* property tax rate above 1% for the period necessary to retire new general obligation bonds, if two-thirds of those voting in a local election approve the issuance of such bonds and the money raised through the sale of the bonds is used exclusively to purchase or improve real property.

On November 6, 2000, California voters approved Proposition 39, which added an additional exemption to the 1% tax limitation imposed by Article XIII A. As amended, Article XIII A limits the amount of any *ad valorem* tax on real property to 1% of the full cash value except that additional taxes may be levied to pay (i) debt service on indebtedness approved by the voters prior to July 1, 1978, (ii) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978 by two thirds of the votes cast by the voters voting on the proposition; and (iii) bonded indebtedness incurred by a school district, community college district or county office of education (which is separate from a county) for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the school district, community college district or the county in which a county office of education is located, as appropriate, but only if certain accountability measures are included in the proposition. The Proposition AA Authorization was approved under Proposition 39.

Future assessed valuation growth allowed under Article XIII A due to new construction, change of ownership, or growth up to the permitted 2% inflation factor will be allocated on the basis of “situs” among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and school districts will share the growth of “base” revenue from the tax rate area. Each year’s growth allocation becomes part of each agency’s allocation the following year. The District is unable to predict the nature or magnitude of future revenue sources which may be provided by the State to replace lost property tax revenues. Article XIII A effectively prohibits the levying of any other *ad valorem* property

tax above the 1% limit except for taxes to support indebtedness approved by the voters as described above.

**Legislation Implementing Article XIII A.** Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax. The 1% *ad valorem* property tax is automatically levied by the County and distributed according to a formula among taxing agencies. Any such allocation made to a local agency continues as part of its allocation in future years. Separate *ad valorem* property taxes to pay voter approved indebtedness such as the Bonds are levied by the County on behalf of the local agencies. Article XIII A effectively prohibits the levying of any other *ad valorem* property tax above the Proposition 13 limit except for taxes to support such indebtedness.

The full cash value of taxable property under Article XIII A represents the maximum taxable value for such property. Accordingly, the fair market value for a given property may not be the equivalent of the full cash value under Article XIII A. During periods in which the real estate market within the District evidences an upward trend, the fair market value for a given property, which has not been reappraised due to a change in ownership, may exceed the full cash value of such property. During periods in which the real estate market demonstrates a downward trend, the fair market value of a given property may be less than the full cash value of such property and the property owner may apply for a “decline in value” reassessment pursuant to Proposition 8 (“Proposition 8 Reassessments”). Proposition 8 Reassessments, if approved by the Office of the County Assessor, lower valuations of properties (where no change in ownership has occurred) if the current value of such property is lower than the full cash value of record of the property. The value of a property reassessed as a result of a decline in value may change, but in no case may its full cash value exceed its fair market value. When and if the fair market value of a property which has received a Proposition 8 Reassessment increases above its Proposition 13 factored base year value, the Office of the County Assessor will enroll such property at its Proposition 13 factored base year value.

Legislation enacted by the California Legislature to implement Article XIII A provides that all taxable property is shown at full cash value as described above. In conformity with this procedure, all taxable property included in this Official Statement (except as noted) is shown at 100% of assessed value and all general tax rates reflect \$1 per \$100 of taxable value. Tax rates for voter approved bonded indebtedness are also applied to 100% of assessed value.

### **Property Taxation System**

Property tax revenues result from the application of the appropriate tax rate to the total assessed value of taxable property in the District. The County, on behalf of the school districts contained herein, levies property taxes for payment of voter-approved bonds. In addition, school districts also receive property taxes from a portion of the 1% general County levy for general operating purposes. The District receives approximately [81]% of its total operating revenues from local property taxes.

Local property taxation is the responsibility of various county officers. For each school district located in a county, the county assessor computes the value of locally assessed taxable property. Based on the assessed value of property and the scheduled debt service on outstanding bonds in each year, the county auditor-controller computes the rate of tax necessary to pay such debt service, and presents the tax rolls (including rates of tax for all taxing jurisdictions in the county) to the county board of supervisors for approval. The county treasurer-tax collector prepares and mails tax bills to taxpayers and collects the taxes. In addition, the treasurer-tax collector, as *ex officio* treasurer of each school district located in the county, holds and invests school district funds, including taxes collected for payment of school bonds, and is charged with payment of principal and interest on such bonds when due. Taxes on property in a

school district whose boundaries extend into more than one county are administered separately by the county in which the property is located. The State Board of Equalization also assesses certain special classes of property, as described later in this section. See “Assessed Valuation of Property Within the District - State Assessed Property” herein.

### **Assessed Valuation of Property Within the District**

**General.** As required by State law, the District uses the services of the County for the assessment and collection of taxes for District purposes. District taxes are collected at the same time and on the same tax rolls as are the County and other local agency and special district taxes.

State law exempts \$7,000 of the full cash value of an owner-occupied dwelling from property tax, but this exemption does not result in any loss of revenue to local entities, including the District, because an amount equivalent to the taxes which would have been payable on such exempt values is paid by the State to the County for distribution to local agencies.

The County levies property taxes on behalf of taxing agencies in the County for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. However, upon a change in ownership of property or completion of new construction, State law permits an accelerated recognition and taxation of increases or decreases in real property assessed valuation (the “Supplemental Assessment”). In such instances, the property is reassessed and a supplemental tax bill is sent to the new owner based on the new value prorated for the balance of the tax year. Accordingly, each school district is to receive allocations of revenue from such Supplemental Assessments and, in accordance with various apportionment factors, to the County, the County superintendent of schools, each community college district, each city and each special district within the County. Such allocations are to be from amounts remaining after allocations to the successor entity to each redevelopment agency in the County in connection with the 1% *ad valorem* property tax levy.

Under State law, in addition to reassessments requested by property owners pursuant to Proposition 8 (1978) when the current market value of property is less than assessed value as of January 1, the county assessor annually initiates reviews of property for reassessments due to decline-in-value. See “ - Legislation Implementing Article XIII A” herein.

The greater the assessed value of taxable property in the District, the lower the tax rate necessary to generate taxes sufficient to pay scheduled debt service on the Bonds. The following table shows recent history of taxable property assessed valuation in the District. In 2014-15, the total assessed valuation of taxable property in the District increased from the previous year by approximately \$53 million, or 6%.

**Recent History of  
Total Assessed Valuation  
San Dieguito Union High School District**

Fiscal Year	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>
2007-08	\$ 44,063,521,878	\$ 8,732,983	\$ 508,226,447	\$ 44,580,481,308
2008-09	47,017,777,341	0 <sup>(1)</sup>	523,898,857	47,541,676,198
2009-10	47,622,252,375	0 <sup>(1)</sup>	511,644,705	48,133,897,080
2010-11	47,112,545,585	0 <sup>(1)</sup>	465,371,780	47,577,917,365
2011-12	47,530,327,546	0 <sup>(1)</sup>	456,603,803	47,986,931,349
2012-13	47,578,669,467	0 <sup>(1)</sup>	457,723,222	48,036,392,689
2013-14	49,360,825,957	0 <sup>(1)</sup>	481,384,671	49,842,210,628
2014-15	52,199,264,399	0 <sup>(1)</sup>	499,872,872	52,699,137,271

<sup>(1)</sup> [Explanation for 0 to come.]

Source: California Municipal Statistics, Inc.

**Risk of Decline in Property Values.** Property values could be reduced by factors beyond the District's control, including earthquake and a depressed real estate market due to general economic conditions in the County, the region and the State.

The District is located in a seismically active region. Active fault lines lie about three miles west of the District. Property within the District could sustain extensive damage in a major earthquake, and a major earthquake could adversely affect the County's economic activity. Other possible causes for a reduction in assessed values include the complete or partial destruction of taxable property caused by other natural or manmade disasters, such as flood, fire, toxic dumping, acts of terrorism, etc., or reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes) or declines due to market conditions in the housing industry or economy. Lower assessed values could necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the Bonds. Issuance of additional authorized bonds in the future might also cause the tax rate to increase

**State-Assessed Property.** Under the State Constitution, the State Board of Equalization assesses property of State-regulated transportation and communications utilities, including railways, telephone and telegraph companies, and companies transmitting or selling gas or electricity. The Board of Equalization also is required to assess pipelines, flumes, canals and aqueducts lying within two or more counties. The value of property assessed by the Board of Equalization is allocated by a formula to local jurisdictions in the county, including school districts, and taxed by the local county tax officials in the same manner as for locally assessed property. Taxes on privately owned railway cars, however, are levied and collected directly by the Board of Equalization. Property used in the generation of electricity by a company that does not also transmit or sell that electricity is taxed locally instead of by the Board of Equalization. Thus, the reorganization of regulated utilities and the transfer of electricity-generating property to non-utility companies, as often occurred under electric power deregulation in California, affects how those assets are assessed, and which local agencies benefit from the property taxes derived. In general, the transfer of State-assessed property located in the District to non-utility companies will increase the assessed value of property in the District, since the property's value will no longer be divided among all taxing jurisdictions in the County. The transfer of property located and taxed in the District to a State-assessed utility will have the opposite effect, generally reducing the assessed value in the District as the value is shared among the other jurisdictions in the County. The District is unable to predict future transfers of State-assessed property in the District and the County, the impact of such transfers on its

utility property tax revenues, or whether future legislation or litigation may affect ownership of utility assets, the State's methods of assessing utility property, or the method by which tax revenues of utility property is allocated to local taxing agencies, including the District.

***Appeals of Assessed Valuation.*** State law affords an appeal procedure to taxpayers who disagree with the assessed value of their taxable property. Taxpayers may request a reduction in assessment directly from the County Assessor (the "Assessor"), who may grant or refuse the request, and may appeal an assessment directly to the San Diego County Board of Equalization, which rules on appealed assessments whether or not settled by the Assessor. The Assessor is also authorized to reduce the assessed value of any taxable property upon a determination that the market value has declined below the then-current assessment, whether or not appealed by the taxpayer.

The District can make no predictions as to the changes in assessed values that might result from pending or future appeals by taxpayers. Any reduction in aggregate District assessed valuation due to appeals, as with any reduction in assessed valuation due to other causes, will cause the tax rate levied to repay the Bonds to increase accordingly, so that the fixed debt service on the Bonds (and other outstanding bonds) may be paid. Any refund of paid taxes triggered by a successful assessment appeal will be debited by the County Assessor against all taxing agencies who received tax revenues, including the District.

***Bonding Capacity.*** As a union high school district, the District may not issue bonds in excess of 1.25% of the assessed valuation of taxable property within its boundaries, as shown on the final assessment roll as of August 20 of each year. The District's gross bonding capacity is estimated at \$658.7 million, and its net bonding capacity is approximately \$498.7 million, prior to the issuance of the Bonds. Pursuant to Section 15268 of the Education Code, bonds authorized under the Proposition AA Authorization may not be issued unless the District projects that repayment of all outstanding bonds approved at the election will require a tax rate no greater than \$30.00 per \$100,000 of assessed value. Based on the assessed value of taxable property in the District at the time of issuance of the Bonds, the District projects that the maximum tax rate required to repay all outstanding bonds approved under the Proposition AA Authorization will not exceed \$25.00 per \$100,000 of assessed value.

**Assessed Valuation by Land Use.** The following table gives a distribution of taxable real property located in the District by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use.

**Assessed Valuation and Parcels by Land Use  
San Dieguito Union High School District  
Fiscal Year 2014-15**

	Assessed Valuation		Parcels	
	2014-15 Assessed Valuation <sup>(1)</sup>	% of Total	No. of Parcels	% of Total
<b>Non-Residential:</b>				
Agricultural/Rural	\$ 149,416,419	0.29%	214	0.30%
Commercial	4,638,317,223	8.89	1,218	1.70
Vacant Commercial	224,406,283	0.43	162	0.23
Industrial	172,643,320	0.33	65	0.09
Vacant Industrial	48,128,289	0.09	39	0.05
Recreational	364,790,260	0.70	416	0.58
Government/Social/Institutional	51,606,723	0.10	131	0.18
Subtotal Non-Residential	\$5,649,308,517	10.82%	2,245	3.13%
<b>Residential:</b>				
Single Family Residence	\$37,109,833,677	71.09%	40,164	55.94%
Condominium/Townhouse	6,055,573,318	11.60	15,055	20.97
Timeshare	86,994,615	0.17	9,631	13.41
Mobile Home	28,704,609	0.05	169	0.24
Mobile Home Park	23,546,433	0.05	11	0.02
2-4 Residential Units	937,082,242	1.80	1,436	2.00
5+ Residential Units/Apartments	1,748,534,798	3.35	418	0.58
Miscellaneous Residential	34,805,681	0.07	562	0.78
Vacant Residential	524,880,509	1.01	2,111	2.94
Subtotal Residential	\$46,549,955,882	89.18%	69,557	96.87%
<b>Total</b>	<b>\$52,199,264,399</b>	<b>100.00%</b>	<b>71,802</b>	<b>100.00%</b>

<sup>(1)</sup> Local Secured Assessed Valuation; excluding tax-exempt property and unsecured property.

Source: California Municipal Statistics, Inc.



**Assessed Valuation of Single-Family Residential Properties.** The following table sets forth single-family residential properties only, which comprise approximately 71.09% of the [local secured] assessed value of taxable property in the District. The average assessed valuation of a single family home in the District is \$923,958, and the median assessed valuation of a home in the District is \$717,742.

**Assessed Valuation of Single Family Homes  
San Dieguito Union High School District  
Fiscal Year 2014-15**

	<u>No. of Parcels</u>	<u>2014-15 Assessed Valuation</u>	<u>Average Assessed Valuation</u>	<u>Median Assessed Valuation</u>
Single-Family Residential	40,164	\$37,109,833,677	\$923,958	\$717,742

<u>2014-15 Assessed Valuation</u>	<u>No. of Parcels<sup>(1)</sup></u>	<u>% of Total</u>	<u>Cumulative % of Total</u>	<u>Total Valuation</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>
\$0 - \$99,999	1,715	4.270%	4.270%	\$ 121,884,066	0.328%	0.328%
\$100,000 - \$199,999	2,066	5.144	9.414	302,458,097	0.815	1.143
\$200,000 - \$299,999	2,711	6.750	16.164	685,610,137	1.848	2.991
\$300,000 - \$399,999	3,242	8.072	24.236	1,132,861,274	3.053	6.044
\$400,000 - \$499,999	3,104	7.728	31.964	1,398,769,379	3.769	9.813
\$500,000 - \$599,999	3,179	7.915	39.879	1,744,690,981	4.701	14.514
\$600,000 - \$699,999	3,413	8.498	48.377	2,213,251,684	5.964	20.478
\$700,000 - \$799,999	3,529	8.786	57.163	2,635,427,283	7.102	27.580
\$800,000 - \$899,999	3,262	8.122	65.285	2,764,592,682	7.450	35.030
\$900,000 - \$999,999	2,498	6.220	71.504	2,355,211,967	6.347	41.377
\$1,000,000 - \$1,099,999	1,690	4.208	75.712	1,763,212,997	4.751	46.128
\$1,100,000 - \$1,199,999	1,328	3.306	79.019	1,516,306,844	4.086	50.214
\$1,200,000 - \$1,299,999	1,203	2.995	82.014	1,491,790,792	4.020	54.234
\$1,300,000 - \$1,399,999	970	2.415	84.429	1,299,081,568	3.501	57.734
\$1,400,000 - \$1,499,999	709	1.765	86.194	1,019,147,355	2.746	60.481
\$1,500,000 - \$1,599,999	636	1.584	87.778	977,777,483	2.635	63.116
\$1,600,000 - \$1,699,999	545	1.357	89.135	895,034,183	2.412	65.527
\$1,700,000 - \$1,799,999	401	0.998	90.133	696,463,242	1.877	67.404
\$1,800,000 - \$1,899,999	393	0.978	91.111	722,565,764	1.947	69.351
\$1,900,000 - \$1,999,999	302	0.752	91.863	586,485,842	1.580	70.932
\$2,000,000 and greater	3,268	8.137	100.000	10,787,210,057	29.068	100.000
Total	<u>75,653</u>	<u>100.000%</u>		<u>\$37,109,833,677</u>	<u>100.000%</u>	

<sup>(1)</sup> Improved single-family residential parcels. Excludes condominiums and parcels with multiple family units.  
Source: California Municipal Statistics, Inc.

**Largest Taxpayers in District.** The twenty taxpayers in the District with the greatest combined assessed valuation of taxable property on the 2014-15 tax roll, and the assessed valuations thereof, are shown below.

The more property (by assessed value) owned by a single taxpayer, the more tax collections are exposed to weakness in the taxpayer's financial situation and ability or willingness to pay property taxes. In 2014-15, no single taxpayer owned more than 0.73% of the total secured assessed taxable property in the District. Each taxpayer listed is a unique name appearing on the tax rolls; the District cannot determine from County assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table.

**Largest 2014-15 Local Secured Taxpayers  
San Dieguito Union High School District**

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2014-15 Assessed Valuation</u>	<u>% of Total<sup>(1)</sup></u>
1.	Kilroy Realty LP	Office Building	\$381,968,329	0.73%
2.	Irvine Co.	Apartments	273,543,864	0.52
3.	Continuing Life Communities LLC	Rest Home	261,229,863	0.50
4.	T-C Forum at Carlsbad LLC	Shopping Center	184,226,154	0.35
5.	Arden Realty LP	Office Building	156,753,114	0.30
6.	KR Heights at Del Mar LLC	Office Building	126,350,000	0.24
7.	Union Investment Real Estate Aktiengesel	Commercial	116,000,000	0.22
8.	Del Mar Highlands Town Center Associates	Commercial	97,357,040	0.19
9.	Grand Del Mar Resort LP	Hotel	92,060,000	0.18
10.	SBTC Holdings LLC	Shopping Center	90,986,003	0.17
11.	TRC Encinitas Village LLC	Shopping Center	80,009,822	0.15
12.	OC/SD Holdings LLC	Apartments	78,391,792	0.15
13.	Torrey Garden Hills I LLC	Apartments	73,011,597	0.14
14.	L'Auberge LP	Hotel	68,812,601	0.13
15.	PR II Gateway Torrey Hills CA LLC	Office Building	66,700,000	0.13
16.	Collwood Pines Apartments LP	Apartments	65,993,312	0.13
17.	Pacific Solana Beach Holdings LP	Shopping Center	63,640,835	0.12
18.	THIV Del Mar LLC	Hotel	62,783,750	0.12
19.	BRE-FMCA LLC	Apartments	61,566,958	0.12
20.	Signature Point LLC	Apartments	<u>57,127,397</u>	<u>0.11</u>
			<u>\$2,458,512,431</u>	<u>4.71%</u>

<sup>(1)</sup> Local secured assessed valuation for fiscal year 2014-15 is \$52,199,264,399.  
Source: California Municipal Statistics, Inc.

### Tax Rate

Taxes are levied for each fiscal year on taxable real and personal property as of the preceding January 1. Real property that changes ownership or is newly constructed is revalued at the time the change occurs or the construction is completed. The current year property tax rate is applied to the reassessed value, and the taxes are then adjusted by a proration factor that reflects the portion of the remaining tax year for which taxes are due. The annual tax rate is based on the amount necessary to pay

all obligations payable from *ad valorem* property taxes and the assessed value of taxable property in a given year. Economic and other factors beyond the District's control, such as a general market decline in land values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster such as earthquake, flood, toxic dumping, etc., could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the District's outstanding general obligation bonds. See, "– Assessed Valuation of Property Within the District – *Risk of Decline in Property Values*" in this section, above.

One factor in the ability of taxpayers to pay additional taxes for school bonds is the cumulative rate of tax. The following table shows *ad valorem* property tax rates for the last several years in a typical tax rate area of the District, TRA 8-119. TRA 8-119 comprises 16.8% of the total assessed value of property in the District.

**Summary of Ad Valorem Tax Rates  
San Dieguito Union High School District  
(Dollars per \$100 of Assessed Valuation)  
Typical Total Tax Rate (8-119)**

	2010-11	2011-12	2012-13	2013-14	2014-15
General	\$1.00000	\$1.00000	\$1.00000	\$1.00000	\$1.00000
City of San Diego	0.00616	0.00500	0.00500	0.00500	0.00500
The Metropolitan Water District of Southern California	0.00370	0.00370	0.00350	0.00350	0.00350
San Dieguito Union High School District	-	-	-	0.02311	0.02147
<b>Total</b>	<b>\$1.00986</b>	<b>\$1.00870</b>	<b>\$1.00850</b>	<b>\$1.03161</b>	<b>\$1.02997</b>

<sup>(1)</sup> TRA 8-119 assessed valuation for fiscal year 2014-15 is \$8,862,950,319  
Source: California Municipal Statistics, Inc.

### Tax Collections and Delinquencies

**General.** Taxes are levied for each Fiscal Year on taxable real and personal property which is situated in the County as of the preceding January 1. However, upon a change in ownership of property or completion of new construction, State law permits an accelerated recognition and taxation of increases in real property assessed valuation. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate assessment rolls. The "secured roll" is that assessment roll containing locally assessed property secured by a statutory lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes on land and the improvements located on the land. Other property, such as business personal property, boats and aircraft, is assessed on the "unsecured roll."

The County levies a 1% property tax on behalf of all taxing agencies in the County. The taxes collected are allocated on the basis of a formula established by State law enacted in 1979. Under this formula, the County and all other taxing entities receive a base year allocation plus an allocation on the basis of growth in *situs* assessed value (new construction, change of ownership, inflation) prorated among the jurisdictions which serve the tax rate areas within which the growth occurs. Tax rate areas are specifically defined geographic areas which were developed to permit the levying of taxes for less than county-wide or less than city-wide special and school districts. In addition, the County levies and collects additional voter approved debt service and fixed charge assessments on behalf of any taxing agency and special districts within the County.

Property taxes on the secured roll are due in two installments, on November 1 and February 1. If unpaid, such taxes become delinquent after 5:00 p.m. on December 10 and April 10, respectively, and a ten percent penalty attaches. A ten dollar cost also applies to all delinquent second installments. Property on the secured roll with unpaid delinquent taxes is declared tax-defaulted after 5:00 p.m. on June 30th. Such property may thereafter be redeemed by payment of the delinquent taxes, the ten percent delinquency penalty, the ten dollar cost, a thirty-three dollar per parcel redemption fee (from which the State receives five dollars), and redemption penalty of one and one-half percent per month starting July 1 and continuing until date of redemption (collectively, the "Redemption Amount"). If taxes remain unpaid for five years, the property becomes subject to the Treasurer-Tax Collector's power to sell.

Property taxes on the unsecured roll are due on the lien date being assessed (January 1). A due date, or date to pay by, is set based on the enrollment date of the bill. If not paid in full, a ten percent penalty is added to the bill on September 1, or on the first business day of the second month following the enrollment date and an additional penalty of one and one-half percent per month begins to accrue on November 1, or on the first business day of the third month after the date of enrollment. Penalties are posted based on the type of unsecured bill and the time of year it is enrolled. The taxing authority has a number of ways of collecting delinquent unsecured property taxes, which include: filing a Certificate of Tax Lien for recordation in the County Recorder's office, and/or other jurisdictions; a civil action against the taxpayer; and seizure and/or sale of assets belonging or assessed to the taxpayer.

Pursuant to State Law, the County collects property tax administrative fees from cities and special districts. State law exempts school districts from paying such fees.

**Teeter Plan.** The County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Section 4701 and following of the California Revenue and Taxation Code. Under the Teeter Plan, each participating local agency levying property taxes in the County, including school districts, receives the amount of uncollected taxes credited to its fund, in the same manner as if the amount due from taxpayers had been collected. In return, the County receives and retains delinquent payments, penalties and interest as collected that would have been due the local agency. The County applies the Teeter Plan to taxes levied for repayment of school district bonds.

The Teeter Plan is to remain in effect unless the County Board of Supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance from two-thirds of the participating revenue districts in the County. The Board of Supervisors may also, after holding a public hearing on the matter, discontinue the Teeter Plan with respect to any tax levying agency or assessment levying agency in the County if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured roll in that agency.

The County secured roll tax charges with respect to property located in the District are set forth in the following table. The County utilizes the Teeter Plan for assessment levy and distribution. This method guarantees distribution of 100% of the assessments levied to the taxing entity, with the County retaining all penalties and interest. Accordingly, there are no delinquencies as of June 30th of each of the indicated years.

**Secured Tax Charges  
San Dieguito Union High School District  
Fiscal Years 2006-07 Through 2013-14**

<b>Fiscal Year</b>	<b>Secured Tax Charge<sup>(1)</sup></b>
2006-07	\$64,996,263
2007-08	71,278,014
2008-09	75,871,931
2009-10	76,419,861
2010-11	75,149,869
2011-12	75,585,161
2012-13	76,400,024
2013-14	79,335,608

<sup>(1)</sup> 1% General Fund apportionment.

Source: California Municipal Statistics, Inc.

**Direct and Overlapping Debt.** Set forth below is a schedule of direct and overlapping debt prepared by California Municipal Statistics Inc. The table is included for general information purposes only. The District has not reviewed this table for completeness or accuracy and makes no representations in connection therewith. The first column in the table names each public agency which has outstanding debt as of January 16, 2015, and whose territory overlaps the District in whole or in part. The second column shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency as of February 1, 2015 (which is not shown in the table) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

The table generally includes long-term obligations sold in the public credit markets by the public agencies listed. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency. Obligations of the San Dieguito Union High School District Community Facilities Districts are secured by special taxes levied upon the property with the community facilities district and are not payable from *ad valorem* property taxes levied by the County on property within the District.

**Direct and Overlapping Bonded Debt  
San Dieguito Union High School District  
(As of January 16, 2015)**

2014-15 Assessed Valuation: \$52,699,137,271

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 2/1/15</u>
Metropolitan Water District of Southern California	2.276%	\$ 2,901,559
Palomar Community College District	0.097	303,386
San Diego Community College District	0.021	269,554
<b>San Dieguito Union High School District</b>	<b>100.000</b>	<b>149,755,000<sup>(1)</sup></b>
Cardiff School District	100.000	5,235,198
Encinitas Union School District	100.000	31,328,506
Rancho Santa Fe School District	100.000	36,784,353
Palomar Pomerado Hospital District	0.106	499,728
San Dieguito Union High School District Community Facilities Districts	100.000	77,295,000
Del Mar Union School District Community Facilities District No. 95-1	100.000	17,020,000
Del Mar Union School District Community Facilities District No. 99-1	100.000	9,485,000
North City West School District Community Facilities District No. 1	100.000	63,872,921
Solana Beach School District Community Facilities District Nos. 99-1, 2000-1 and 2004-1	100.000	36,310,000
Rancho Santa Fe Community Services District Community Facilities District No. 1	45.627	19,948,124
City of Encinitas Community Facilities District No. 1	100.000	29,755,000
Olivenhain Municipal Water District Assessment District No. 96-1	73.226	9,717,090
Other City and Special District 1915 Act Bonds (Estimate)	100.000	<u>4,915,000</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		\$495,395,419

<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
San Diego County General Fund Obligations	12.575%	\$ 45,349,851
San Diego County Pension Obligation Bonds	12.575	85,838,859
San Diego County Superintendent of Schools Obligations	12.575	1,852,612
Mira Costa Community College District Certificates of Participation	61.550	1,049,428
Palomar Community College District General Fund Obligations	0.097	4,302
<b>San Dieguito Union High School District General Fund Obligations</b>	<b>100.000</b>	<b>13,015,000</b>
Rancho Santa Fe School District Certificates of Participation	100.000	5,795,000
City of Encinitas Certificates of Participation	100.000	56,360,000
City of San Diego General Fund Obligations	8.659	46,892,815
City of San Marcos Certificates of Participation	0.006	282
City of Solana Beach Certificates of Participation	100.000	<u>1,055,400</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$257,213,549

<u>OVERLAPPING TAX INCREMENT DEBT:</u>		
Solana Beach Redevelopment Agency (Successor Agency)	100.000	% \$3,075,000
TOTAL OVERLAPPING TAX INCREMENT DEBT		\$3,075,000

COMBINED TOTAL DEBT \$755,683,968<sup>(2)</sup>

Ratios to 2014-15 Assessed Valuation:

<b>Direct Debt (\$149,755,000)</b> .....	<b>0.28%</b>
Total Overlapping Tax and Assessment Debt .....	0.94%
<b>Combined Direct Debt (\$162,770,000)</b> .....	<b>0.31%</b>
Combined Total Debt .....	1.43%

Ratios to Redevelopment Incremental Valuation (\$92,752,257):

Total Overlapping Tax Incremental Debt .....	3.32%
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<sup>(1)</sup> Excludes the Bonds.

<sup>(2)</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.



## TAX MATTERS

### Tax-Exempt Bonds

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Tax-Exempt Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix C hereto.

To the extent the issue price of any maturity of the Tax-Exempt Bonds is less than the amount to be paid at maturity of such Tax-Exempt Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Tax-Exempt Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Tax-Exempt Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Tax-Exempt Bonds is the first price at which a substantial amount of such maturity of the Tax-Exempt Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Tax-Exempt Bonds accrues daily over the term to maturity of such Tax-Exempt Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Tax-Exempt Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Tax-Exempt Bonds. Beneficial Owners of the Tax-Exempt Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Tax-Exempt Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Tax-Exempt Bonds in the original offering to the public at the first price at which a substantial amount of such Tax-Exempt Bonds is sold to the public.

Tax-Exempt Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Tax-Exempt Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Tax-Exempt Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Tax-Exempt Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Tax-Exempt Bonds. The opinion

of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Tax-Exempt Bonds may adversely affect the value of, or the tax status of interest on, the Tax-Exempt Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Tax-Exempt Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Tax-Exempt Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. For example, the Obama Administration's budget proposals in recent years have proposed legislation that would limit the exclusion from gross income of interest on the Tax-Exempt Bonds to some extent for high-income individuals. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Tax-Exempt Bonds. Prospective purchasers of the Tax-Exempt Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Tax-Exempt Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Tax-Exempt Bonds ends with the issuance of the Tax-Exempt Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the Beneficial Owners regarding the tax-exempt status of the Tax-Exempt Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the District and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Tax-Exempt Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Tax-Exempt Bonds, and may cause the District or the Beneficial Owners to incur significant expense.

### **Taxable Bonds**

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and



compliance with certain covenants, interest on the Taxable Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Taxable Bonds. The proposed form of opinion of Bond Counsel is contained in Appendix C hereto.

The following discussion summarizes certain U.S. federal income tax considerations generally applicable to U.S. Holders (as defined below) of the Taxable Bonds that acquire their Taxable Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the IRS with respect to any of the U.S. federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Taxable Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose “functional currency” is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Taxable Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Taxable Bonds pursuant to this offering for the issue price that is applicable to such Taxable Bonds (i.e., the price at which a substantial amount of the Taxable Bonds are sold to the public) and who will hold their Taxable Bonds as “capital assets” within the meaning of Section 1221 of the Code. The following discussion does not address tax considerations applicable to any investors in the Taxable Bonds other than investors that are U.S. Holders.

As used herein, “U.S. Holder” means a beneficial owner of a Taxable Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). If a partnership holds Taxable Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Taxable Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Taxable Bonds (including their status as U.S. Holders).

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Taxable Bonds in light of their particular circumstances.

### ***U.S. Holders***

*Interest.* Interest on the Taxable Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

To the extent that the issue price of any maturity of the Taxable Bonds is less than the amount to be paid at maturity of such Taxable Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Taxable Bonds), the difference may constitute original issue discount ("OID"). U.S. Holders of Taxable Bonds will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

Taxable Bonds purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a Taxable Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Taxable Bond.

*Sale or Other Taxable Disposition of the Taxable Bonds.* Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the State) or other disposition of a Taxable Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Taxable Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Taxable Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Taxable Bond (generally, the purchase price paid by the U.S. Holder for the Taxable Bond, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such Taxable Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Taxable Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the Taxable Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

*Information Reporting and Backup Withholding.* Payments on the Taxable Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Taxable Bonds may be subject to backup withholding at the current rate of 28% with respect to "reportable payments," which include interest paid on the Taxable Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Taxable Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup

withholding. A holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

### ***Foreign Account Tax Compliance Act ("FATCA")***

Sections 1471 through 1474 of the Code, impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest and principal under the Taxable Bonds and sales proceeds of Taxable Bonds held by or through a foreign entity. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and will apply to (i) gross proceeds from the sale, exchange or retirement of debt obligations paid after December 31, 2016 and (iii) certain "pass-thru" payments no earlier than January 1, 2017. Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Taxable Bonds in light of the holder's particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Taxable Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

## **LEGAL MATTERS**

### **Continuing Disclosure**

The District has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") for each fiscal year by not later than nine months following the end of the District's fiscal year (currently ending June 30) commencing with the Annual Report for Fiscal Year 2014-15, and to provide notices of the occurrence of certain specified events (collectively, the "Listed Events"). The information to be contained in the Annual Report and in a notice of a Listed Event is set forth in Appendix D – "FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. The District will provide or cause to be provided the Annual Report and such notices to the Municipal Securities Rulemaking Board in the manner prescribed by the Securities and Exchange Commission ("SEC"). These covenants have been made in order to assist the Underwriters in complying with SEC Rule 15c2-12(b)(5) (the "Rule").

### **Legality for Investment in California**

Under provisions of the Financial Code of the State, the Bonds are legal investments for commercial banks in the State to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of its depositors. Under provisions of the Government Code of the State, the Bonds are eligible securities for deposits of public moneys in the State.

### **Limitation on Remedies; Amounts Held in the County Treasury Pool**

The proposed form of approving opinion of Bond Counsel, attached hereto as Appendix C, is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights. Bankruptcy proceedings, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

The County on behalf of the District is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the County's Treasury Pool, as described in Appendix E – "SAN DIEGO COUNTY TREASURY POOL" attached hereto. In the event the District or the County were to go into bankruptcy, a federal bankruptcy court might hold that the owners of the Bonds are unsecured creditors with respect to any funds received by the District or the County prior to the bankruptcy, which may include *ad valorem* property taxes that have been collected and deposited into the applicable Debt Service Fund, where such amounts are deposited into the Treasury Pool, and such amounts may not be available for payment of the principal of and interest on the Bonds unless the owners of the Bonds can "trace" those funds. There can be no assurance that the Owners could successfully so "trace" such taxes on deposit in the applicable Debt Service Fund where such amounts are invested in the Treasury Pool. The County is required by law to annually levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of the principal of and interest on the Bonds.

### **Certain Legal Matters**

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the District, and certain other conditions. A complete copy of the proposed form of approving opinion of Bond Counsel with respect to the Bonds is contained in Appendix C, attached hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will also be passed upon for the District by its Disclosure Counsel, Hawkins Delafield & Wood LLP, Los Angeles, California, and for the Underwriters of the Bonds by their counsel, Stradling Yocca Carlson & Rauth, Professional Corporation, San Francisco, California.

### **LITIGATION**

No litigation is pending or, to the best knowledge of the District, threatened, concerning the validity of the Bonds or the District's ability to receive *ad valorem* taxes and to collect other revenues, or contesting the District's ability to issue and retire the Bonds, the political existence of the District, the title to their offices of District or County officials who will sign the Bonds and other certifications relating to the Bonds, or the powers of those offices. A certificate (or certificates) to that effect will be furnished to the original purchasers at the time of the original delivery of the Bonds.

The District is routinely subject to lawsuits and claims. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District.

### **FINANCIAL STATEMENTS**

The District's Audited Financial Statements for Fiscal Year Ended June 30, 2014 are attached hereto as Appendix B. The basic financial statements of the District for the Fiscal Year 2013-14 have

been audited by Wilkinson Hadley King & Co. LLP, independent certified public accountants, as stated in their report appearing in Appendix B. The District has not requested nor has the District obtained the consent of Wilkinson Hadley King & Co. LLP to the inclusion of its report in Appendix B. Wilkinson Hadley King & Co. LLP has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Wilkinson Hadley King & Co. LLP has not been requested to perform and has not performed any procedures relating to the Official Statement.

## MISCELLANEOUS

### Ratings

Moody's Investors Service, Inc. and Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, have assigned their municipal bond ratings of "\_\_\_\_" and "\_\_\_\_", respectively, to the Bonds. The District has furnished to each rating agency certain materials and information with respect to itself and the Bonds. Generally, rating agencies base their ratings on such information and materials and on their own investigations, studies and assumptions. Each rating reflects only the view of the respective rating agency, and any explanation of the significance of such rating may be obtained only from the issuing rating agency furnishing the same, at the following addresses: Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, telephone: (212) 533-0300 and Standard & Poor's, 55 Water Street, New York, New York 10041, telephone: (212) 438-2124. There is no assurance that any such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market price of the Bonds.

### Financial Advisor

The District has retained Fieldman Rolapp & Associates, Inc., as Financial Advisor (the "Financial Advisor") in connection with the issuance of the Bonds and certain other financial matters. The Financial Advisor is a financial advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other negotiable instruments. The Financial Advisor has not audited, authenticated or otherwise verified the information set forth in the Official Statement, or any other related information available to the District, with respect to the accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by the Financial Advisor respecting the accuracy and completeness of this Official Statement or any other matter related to this Official Statement.

### Underwriting

Stifel Nicolaus & Company, Inc. and J.P. Morgan Securities LLC (collectively, the "Underwriters") have agreed to purchase the Bonds if and when issued pursuant to a bond purchase agreement (the "Purchase Agreement") by and among the District, the County and the Underwriters for the amount of \$\_\_\_\_\_ (representing the aggregate principal amount of the Bonds, [plus/minus] a [net] reoffering [premium/discount] of \$\_\_\_\_\_, less an underwriter's discount of \$\_\_\_\_\_). The Purchase Agreement pursuant to which the Underwriters are purchasing the Bonds provides that the Underwriters will purchase all of the Bonds if any of such Series are purchased. The obligation of the Underwriters to make such purchase is subject to certain terms and conditions set forth in the Purchase Agreement.

The Underwriters may offer and sell the Bonds to certain dealers and others at prices different from the prices stated on the inside cover page of this Official Statement. The offering prices may be changed from time to time by the Underwriters.

The following two sentences were provided by J.P. Morgan Securities LLC, one of the Underwriters of the Bonds: J.P. Morgan Securities LLC (“JPMS”), one of the Underwriters of the Bonds, has entered into negotiated dealer agreements (each, a “Dealer Agreement”) with each of Charles Schwab & Co., Inc. (“CS&Co.”) and LPL Financial LLC (“LPL”) for the retail distribution of certain securities offerings, at the original issue prices. Pursuant to each Dealer Agreement (if applicable to this transaction), each of CS&Co. and LPL will purchase Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

**Additional Information**

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not a contract or agreement between the District and the purchasers or owners of any of the Bonds.

The District has duly authorized the execution and delivery of this Official Statement.

**SAN DIEGUITO UNION HIGH SCHOOL  
DISTRICT**

By: \_\_\_\_\_  
Associate Superintendent,  
Business Services

**APPENDIX A**

**DISTRICT FINANCIAL AND OPERATING INFORMATION  
AND REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION**



**APPENDIX A  
TABLE OF CONTENTS**

	<b><u>Page</u></b>
DISTRICT GENERAL INFORMATION.....	A-1
General .....	A-1
Management .....	A-1
Basic Aid District .....	A-1
DISTRICT FINANCIAL AND OPERATING INFORMATION .....	A-2
District Budget Process and County Review .....	A-2
Accounting Practices .....	A-3
Fiscal Year 2014-15 District Budget .....	A-3
State Financial Accountability and Oversight Provisions .....	A-6
Employees; Labor Relations .....	A-7
Retirement Systems .....	A-7
Summary of District Revenues and Expenditures .....	A-14
Comparative Financial Statements .....	A-15
District Debt Structure .....	A-16
Future Financings .....	A-17
Insurance and Joint Powers Arrangements .....	A-17
Charter Schools .....	A-18
STATE FUNDING OF EDUCATION.....	A-18
General .....	A-18
Local Control Funding Formula .....	A-18
Prior Revenue Limit Funding .....	A-21
Proposition 98 .....	A-23
Litigation Regarding State Budgetary and Fiscal Actions.....	A-24
State Budget .....	A-24
Limitations on School District Reserves .....	A-29
State Funding of Schools without a State Budget .....	A-30
CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO <i>AD VALOREM</i> PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS .....	A-30
Constitutionally Required Funding of Education .....	A-30
Article XIII A of the State Constitution .....	A-30
Legislation Implementing Article XIII A .....	A-31
Article XIII B of the State Constitution.....	A-32
Article XIII C and Article XIII D of the State Constitution .....	A-32
Proposition 98 .....	A-32
Proposition 39 .....	A-33
Proposition 1A.....	A-34
Proposition 22 .....	A-34
Proposition 1D.....	A-35
Proposition 30 .....	A-35
REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION .....	A-37
Population .....	A-37
Income .....	A-37
Employment .....	A-39
Major Employers.....	A-41
Construction .....	A-42



*This Appendix A provides information concerning the operations and finances of the San dieguito union high school district and certain demographic information in the area covered by the District. The Bonds are general obligation bonds of the District, secured and payable from ad valorem property taxes assessed on taxable properties within the District and are not an obligation of the County or of the general fund of the District. See "Security and Sources of Payment for the Bonds" in the forepart of this Official Statement.*

## **DISTRICT GENERAL INFORMATION**

### **General**

The District consists of approximately 85 square miles of territory in the northern portion of San Diego County (the "County"), California (the "State"). The District educates students from five feeder elementary school districts: Encinitas, Cardiff, Solana Beach, Del Mar and Rancho Santa Fe. The District operates four comprehensive middle schools for grades seven through eight, and four comprehensive high schools for grades nine through twelve. A fifth middle school is currently under construction and on schedule to open in Fall, 2015. The District also offers a continuation high school with an alternative education program for grade nine through twelve, an alternative high school for independent study program for high school teens seeking individualized attention and flexible scheduling and an adult education program. Enrollment in the District for grades seven through twelve in the Fiscal Year 2013-14 school year was 12,497 students, and was 12,538 as of October 2, 2014, which was above the 12,490 projected for school year 2014-15.

In Fiscal Year 2014-15, the District has budgeted for approximately 964.85 employees. Budgeted full-time-equivalent positions ("FTEs") from all funds include 565.69 FTE certificated (credentialed teaching) staff, 335.46 FTE classified (non-teaching) staff, and 63.7 FTE management and supervisory/other personnel. In its Second Interim Report for fiscal year 2014-15 (the "Second Interim Report"), the District has projected general fund expenditures of approximately \$112.1 million as of its second interim report for Fiscal Year 2014-15. Total assessed valuation of taxable property in the District in Fiscal Year 2014-15 is approximately \$53 billion. The Second Interim Report was approved by the Board of Trustees of the District (the "Board") and submitted to the San Diego County Superintendent of Schools (the "County Superintendent"), and remains subject to review and approval by the County Superintendent. See "DISTRICT FINANCIAL AND OPERATING INFORMATION – District Budget Process and County Review" herein.

### **Management**

The District's day-to-day operations are managed by a board-appointed Superintendent of Schools (the "Superintendent"). The management and policies of the District are administered by a Superintendent of Schools and a staff which provides business, pupil, personnel, administrative personnel, and instruction support services. The District is governed by a common five-member Board, with each member being elected to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions.

### **Basic Aid District**

The District is classified as a "basic aid" district because local property taxes collected and inuring to the District exceed the amounts to that would be funded under the Local Control Funding Formula (as further described herein, the "LCFF"; see "State Funding of Education – Local Control Funding Formula" herein) and otherwise provided by the State. The District became a basic aid district in

Fiscal Year 2008-09, following state funding cuts to the then applicable revenue limit formulation for school funding.

Depending on the rate of growth in local property tax revenue, the District may transition to a Revenue Limit/LCFF and receive State aid when the LCFF is fully implemented. State aid is based primarily on average daily attendance and other appropriations. Under the current State funding formulas, if local taxes do not provide money equal to the funded LCFF, the State will make up the difference through State funding.

## **DISTRICT FINANCIAL AND OPERATING INFORMATION**

### **District Budget Process and County Review**

State law requires school districts to maintain a balanced budget in each fiscal year. The State Department of Education imposes a uniform budgeting and accounting format for school districts.

Under current law, a school district governing board must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the County Superintendent.

The County Superintendent must review and approve or disapprove the budget no later than August 15. The County Superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance with the established standards. If the budget is disapproved, it is returned to the District with recommendations for revision. The District is then required to revise the budget, hold a public hearing thereon, adopt the revised budget and file it with the County Superintendent no later than September 8. Pursuant to State law, the County Superintendent has available various remedies by which to impose and enforce a budget that complies with State criteria, depending on the circumstances, if a budget is disapproved. After approval of an adopted budget, the school district's administration may submit budget revisions for governing board approval.

Subsequent to approval, the County Superintendent will monitor each district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the district can meet its current or subsequent year financial obligations. If the County Superintendent determines that a district cannot meet its current or subsequent year obligations, the County Superintendent will notify the district's Board of Trustees of the determination and may then do either or both of the following: (a) assign a fiscal advisor to enable the district to meet those obligations or (b) if a study and recommendations are made and a district fails to take appropriate action to meet its financial obligations, the County Superintendent will so notify the State Superintendent of Public Instruction, and then may do any or all of the following for the remainder of the fiscal year: (i) request additional information regarding the district's budget and operations; (ii) after also consulting with the district's board, develop and impose revisions to the budget that will enable the district to meet its financial obligations; and (iii) stay or rescind any action inconsistent with such revisions. However, the County Superintendent may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the County Superintendent assumed authority.

A State law adopted in 1991 ("A.B. 1200") imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200, each school district is required to file interim certifications with the County Superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current

fiscal year and, based on current forecasts, for the subsequent fiscal year. The County Superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that is deemed unable to meet its financial obligations for the remainder of the fiscal year or subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or two subsequent fiscal years. A school district that receives a qualified or negative certification may not issue tax and revenue anticipation notes or certificates of participation without approval by the County Superintendent. The District has not received a qualified or negative certification in at least the most recent five fiscal years. Furthermore, the District budget has not been disapproved by the County Superintendent in at least the most recent five fiscal years.

### **Accounting Practices**

The accounting policies of the District conform to generally accepted accounting principles in accordance with the definitions, instructions and procedures of the California School Accounting Manual, as required by the State Education Code. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred.

Wilkinson Hadley King & Co. LLP, Certified Public Accountants & Advisors, El Cajon, California, serves as independent auditor to the District. The District's audited financial statements for the fiscal year ended June 30, 2014 are attached hereto as APPENDIX B. The District considers its audited financial statements to be public information, and accordingly no consent has been sought or obtained from the auditor in connection with the inclusion of such statements in this Official Statement. The auditor has made no representation in connection with inclusion of the audit herein that there has been no material change in the financial condition of the District since the audit was concluded. The District is required by law to adopt its audited financial statements following a public meeting to be conducted no later than January 31 following the close of each fiscal year.

### **Fiscal Year 2014-15 District Budget**

The District Board adopted its budget for Fiscal Year 2014-15 on June 19, 2014 (the "Fiscal Year 2014-15 District Adopted Budget") and submitted the Fiscal Year 2014-15 District Adopted Budget to the San Diego County Office of Education ("SDCOE") in a timely manner for review. The Fiscal Year 2014-15 District Adopted Budget reflects a net decrease in revenues from Fiscal Year 2013-14 to Fiscal Year 2014-15, mainly attributable to the removal of one-time revenues and other prior year carryover amounts and gifts and donations not being budgeted as revenue until received, all of which were offset by a positive increase of 2.5% in the property tax revenue. The Fiscal Year 2014-15 District Adopted Budget also reflects a decrease in expenditures from Fiscal Year 2013-14 to Fiscal Year 2014-15, mainly attributable, among other things, to experiential increases that were partially offset by retirement savings and funding changes in staffing and certain books and supplies, services and operating expenses, and capital outlay savings.

The Fiscal Year 2014-15 District Adopted Budget projects a General Fund beginning balance of \$[14,208,650], revenues of \$[104,610,274], total estimated expenditures of \$[106,220,850] and an ending balance of \$[12,598,074]. The audited General Fund beginning balance for Fiscal Year 2014-15 is approximately \$5.4 million greater than the audited beginning balance for Fiscal Year 2013-14. The Fiscal Year 2014-15 District Second Interim Budget projects that its General Fund ending balance of \$15,750,646 will consist of approximately \$5,044,464 for the mandatory Reserve for Economic

Uncertainty, \$181,000 of non-spendable funds, \$1.00 of restricted ending balances, \$5,128,728 of assigned ending balances and \$5,366,453 in unassigned reserves.

The following Table A-1 sets forth the District's original adopted budgets for the District General Fund for Fiscal Years 2010-11 through 2013-14 and the District's budget as of the Fiscal Year 2014-15 Second Interim Report. The beginning balance for each fiscal year reflects the estimated ending balance for the prior fiscal year based upon information as of the budget adoption date. Accordingly, the budgeted ending balance for a fiscal year and the subsequent budgeted beginning balance in the following Table A-1 differs from the actual ending balance and actual beginning balance set forth in Table A-8 "General Fund Revenues, Expenditures and Changes in Fund Balances" herein due to the exclusion of the District's special reserve account from Table A-2 and adjustments relating to the applicable of governmental accounting standards.

The District adopted its Fiscal Year 2014-15 budget are used for planning purposes only, and do not represent a prediction as to the actual financial performance or the District's actual funding level for Fiscal Year 2014-15. Certain adjustments will have to be made throughout the year based on actual State funding and actual attendance.

TABLE A-1

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**  
**District Budgets for Fiscal Years 2010-11 through 2014-15**  
**for the District General Fund**

	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Revenues</b>					
Revenue Limit Sources					
State Apportionment or State Aid	\$ (41,598)	\$ (22,848)	\$ (39,236)	\$ (39,236)	
Local Sources	78,536,707	77,963,978	79,043,656	80,852,521	
Federal Revenue	3,527,483	3,714,871	4,251,389	4,093,584	
Other State Revenue	3,715,419	5,724,953	3,623,118	4,644,931	
Other Local Revenue	7,079,210	7,292,898	7,568,435	8,055,834	
<b>Total Revenues</b>	<b>\$92,817,221</b>	<b>\$94,673,852</b>	<b>\$94,447,362</b>	<b>\$97,607,634</b>	
<b>Expenditures</b>					
Certificated Salaries	\$48,792,033	\$48,546,701	\$ 48,499,536	\$49,071,438	
Classified Salaries	16,499,106	15,833,404	15,965,452	15,621,001	
Employee Benefits	19,076,599	19,768,991	20,375,494	20,384,519	
Books and Supplies	3,319,462	3,092,883	2,962,375	2,940,347	
Services/Other Operating Expenditures	9,567,135	10,364,883	11,131,621	12,665,974	
Other Outgo	67,000	45,000	60,000	802,310	
Direct Support/Indirect Costs	(169,540)	(179,588)	(162,730)	(170,154)	
Capital Outlay	132,366	111,100	16,500	44,000	
Debt Service:					
Principal	770,000	765,588	765,588	765,588	
Interest	819,623	840,639	840,639	840,936	
<b>Total Expenditures</b>	<b>\$98,873,784</b>	<b>\$99,189,601</b>	<b>\$100,454,475</b>	<b>\$102,965,959</b>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,056,563)	(4,515,749)	(6,007,113)	(5,358,325)	
<b>Other Financing Sources/(Uses)</b>					
Transfers In	-	-	-	\$765,588	
Transfers Out	\$(44,600)	\$(44,600)	\$(44,600)	(20,000)	
<b>Total Other Financing Sources (Uses)</b>	<b>\$(44,600)</b>	<b>\$(44,600)</b>	<b>\$(44,600)</b>	<b>\$745,588</b>	
<b>Net Change in Fund Balances</b>	<b>\$(6,101,163)</b>	<b>\$(4,560,349)</b>	<b>\$(6,051,713)</b>	<b>\$(4,612,737)</b>	
Fund Balance, July 1 <sup>(1)</sup>	\$20,455,538	\$15,311,186	\$13,727,475	\$14,197,770	
Fund Balance, July 30 <sup>(1)</sup>	\$14,354,375	\$10,750,837	\$7,675,762	\$9,585,033	

<sup>(1)</sup> See Table A-8 for audited fund balances for the respective years. In each case, the audited fiscal year-end balance exceeded the budgeted fiscal year-end balance.

Sources: The District's audited financial statements for Fiscal Years ended June 30, 2011, 2012, 2013 and 2014; Second Interim Report for Fiscal Year 2014-15.

## State Financial Accountability and Oversight Provisions

**Interim Reporting Requirements.** State law grants to each county superintendent of schools certain oversight with respect to the budget development process and interim financial reporting of public school districts. Pursuant to the Education Code, each school district is required to file interim certifications with the county office of education as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the two subsequent fiscal years. See “District Financial and Operating Information – District Budget Process and County Review” herein.

**District Budget and Interim Financial Estimates.** The following Table A-2 summarizes budgeted revenues and expenditures and projected year-end amounts, including projected year-end General Fund Balances, as reported in the Fiscal Year 2014-15 District Adopted Budget and the Fiscal Year 2014-15 First Interim Report (as defined herein). The District has timely prepared each of these estimates of its Fiscal Year 2014-15 financial results and provided this information to the District Board and SDCOE.

**TABLE A-2**  
**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**  
**District General Fund Summary of Balances, Revenues and Expenditures**  
**Fiscal Year 2014-15<sup>(1)</sup>**

	<b>Fiscal Year 2014-15 District Adopted Budget</b>	<b>First Interim Report (December 2014)</b>	<b>Second Interim Report (March 2015)</b>
Beginning Balance	\$ 14,208,650	\$ 19,603,790	
Revenues/Other Sources	104,610,274	107,132,447	
Expenditures/Other Uses	106,220,850	111,360,736	
Operating Surplus (Deficit)	(1,610,576)	(4,228,289)	
Ending Balance	\$ 12,598,074	\$ 15,375,501	

<sup>(1)</sup> Totals may not equal sum of component parts due to rounding.

Sources: San Dieguito Union High School District Fiscal Year 2014-15 District Adopted Budget, Fiscal Year 2014-15 First Interim Report and Fiscal Year 2014-15 Second Interim Report.

**District First Interim Report for Fiscal Year 2014-15.** The District’s Fiscal Year 2014-15 First Interim Report (the “First Interim Report”) was filed with SDCOE by December 15, 2014, the deadline therefor. The District submitted its First Interim Report with a self-certified positive certification of its financial condition. The First Interim Report stated that the District will be able to meet its financial obligations in Fiscal Year 2014-15, 2015-16 and 2016-17. The District’s First Interim Report projected that the District’s General Fund ending balance of \$15,375,501 would consist of approximately \$181,000 of cash, nonspendable balances and prepaid expenditures, \$1.00 of restricted balances, \$5,128,728 of assigned balances, and \$10,035,772 of balances in the Reserve for Economic Uncertainty. The Fiscal Year 2014-15 First Interim Report projects that the District will satisfy the minimum percentage of 2% required to be held in its Reserve for Economic Uncertainty in Fiscal Years 2014-15, 2015-16 and 2016-17.

**District Second Interim Report for Fiscal Year 2014-15.** The District’s Fiscal Year 2014-15 Second Interim Report (the “Second Interim Report”) was filed with SDCOE by March 17, 2015, the deadline therefor. The District submitted its Second Interim Report with a [self-certified positive]



certification of its financial condition. The Second Interim Report stated that the District will be able to meet its financial obligations in Fiscal Year 2014-15, 2015-16 and 2016-17. The Second Interim Report projects that the District will satisfy the minimum percentage of 2% required to be held in its Reserve for Economic Uncertainty in Fiscal Years 2014-15, 2015-16 and 2016-17. See “Fiscal Year 2014-15 District Budget” herein for a description of the projected General Fund balances included in the Second Interim Report.

### **Employees; Labor Relations**

**Employees.** The largest part of each school district’s general fund budget is used to pay salaries and benefits of certificated (credentialed teaching) and classified (non-instructional) employees. Changes in salary and benefit expenditures from year to year are generally based on changes in staffing levels, negotiated salary increases, and the overall cost of employee benefits.

In its Second Interim Report, the District estimates that it will expend approximately \$90.4 million in salaries and benefits, or approximately 81% of its General Fund expenditures in Fiscal Year 2014-15. Relative to Fiscal Year 2013-14, this amount represents a \$3.4 million increase in salaries and benefits but a 2% decrease in the portion of the General Fund expenditures allocated to salaries and benefits.

**Labor Relations.** The District currently employs from all funds 565.69 full-time-equivalent (“FTE”) certificated employees, 335.46 FTE classified employees, and 63.7 FTE management and supervisory/other employees. Non-management certificated and classified employees are represented for collective bargaining purposes as shown in the following Table A-3:

**TABLE A-3**  
**San Dieguito Union High School District**  
**Labor Organizations**

<u>Labor Organization</u>	<u>Number of (FTE) Employees</u>	<u>Contract Expiration</u>
San Dieguito Faculty Association (Certified)	565.69	June 30, 2015
California School Employees Association (Classified)	335.46	June 30, 2015

Source: San Dieguito Union High School District.

### **Retirement Systems**

**General.** The District currently participates in CalSTRS and CalPERS. The amounts of the District’s contributions to CalSTRS and CalPERS PARS are subject to, among other things, modifications to or approvals of collective bargaining agreements and any changes in actuarial assumptions used by CalSTRS and CalPERS. See Table A-4 “Annual Regular CalSTRS Contributions” and Table A-6 “Annual CalPERS Regular Contributions” for the estimated contributions by the District for Fiscal Year 2014-15 for CalSTRS and CalPERS, respectively. For additional information regarding the District’s pension and retiree health care programs and costs, see the District’s financial statements for Fiscal Year 2013-14 contained in Appendix B – “Audited Financial Statements of the District for the Fiscal Year ended June 30, 2014” attached hereto.

The information set forth below regarding CalSTRS and CalPERS has been obtained from publicly available sources and has not been independently verified by the District and is not guaranteed as to the accuracy or completeness thereof by or to be construed as a representation by the District. Furthermore, the summary data below should not be read as current or definitive, as recent gains or losses on investments made by the retirement systems generally may have changed the unfunded actuarial accrued liabilities (“UAAL”) stated below.

***California State Teachers’ Retirement System.*** CalSTRS is a defined benefit plan that covers all full-time certificated District employees. Benefit provisions are established by State legislation in accordance with the State Teachers’ Retirement Law. CalSTRS is operated on a Statewide basis and, based on publicly available information, has substantial unfunded liabilities. Additional funding of CalSTRS by the State and the inclusion of adjustments to such State contributions based on consumer price changes were provided for in 1979 Statutes, Chapter 282.

Prior to Fiscal Year 2014-15, neither the CalSTRS employer nor the State contribution rate varied annually to make up funding shortfalls or assess credits for actuarial surpluses. The State did pay a surcharge when the teacher and school district contributions were not sufficient to fully fund the basic defined benefit pension (generally consisting of 2% of salary for each year of service at age 60 referred to as “pre-enhancement benefits”) within a 30-year period. In recent fiscal years, employees contributed 8.00% of gross salary expenditures to CalSTRS, and the District contributed 8.25% of gross salary expenditures to CalSTRS.

The California State Teachers’ Retirement System Defined Benefit Program Actuarial Valuation as of June 30, 2013 (the “2013 CalSTRS Actuarial Valuation”) is the most recent actuarial valuation for the CalSTRS plan. CalSTRS actuarial consultant (the “Actuarial Consultant”) determines the actuarial value of the plan’s assets by using a one-third smoothed recognition method of the difference between the actual market value of assets to the expected actuarial value of assets. Accordingly, the actuarial value of assets will not reflect the impact of certain investment gains or losses on an actuarial basis as of the date of the valuation.

The actuarial assumptions set forth in the 2013 CalSTRS Actuarial Valuation use the “Entry Age Normal Cost Method” and, among other things, an assumed 7.50% investment rate of return, 4.50% interest on accounts, projected 3.75% wage growth, projected 3.00% inflation and demographic assumptions relating to mortality rates, length of service, rates of disability, rates of withdrawal, probability of refund, and merit salary increases. The actuarial assumptions and methods used in the 2013 CalSTRS Actuarial Valuation were based on the Experience Analysis July 1, 2006 – June 30, 2010 adopted by the Teacher’s Retirement Board in February 2012 (the “CalSTRS Experience Analysis”). CalSTRS’ unfunded liability will vary from time to time depending upon actuarial assumptions, actual rates of return on investment, salary scales and levels of contribution.

The 2013 CalSTRS Actuarial Valuation states that the aggregate contribution rate as of June 30, 2013, inclusive of a contribution of 8.000% from members, 8.250% from employers and 3.247% from the State, is equivalent to 19.497%. The 2013 CalSTRS Actuarial Valuation projects that a level contribution rate of 32.879% beginning June 30, 2013 would be needed to amortize the unfunded actuarial obligation over a 30-year period which would be an increase of 13.382% from the present contribution rate. The Actuarial Consultant stated that the projected shortfall was due to, among other things, an investment rate of return of approximately 4.50% since 2000 as compared to the 7.50% long-term assumed rate of return. In addition, the 2013 CalSTRS Actuarial Valuation assumes that all members hired on or after January 1, 2013 are subject to the provisions of PEPPRA. See “District Financial and Operating Information – California Public Employees’ Pension Reform Act of 2013” herein. The Actuarial Consultant states that the lower level of benefits offered to PEPPRA Employees (defined herein) is expected to reduce the normal



costs related thereto and the amount of additional revenue needed. Nevertheless, the Actuarial Consultant projected that, absent corrective action, the CalSTRS defined benefit plan would be depleted by 2046. Although the Actuarial Consultant has applied a 7.50% long-term rate of return to CalSTRS' assets in its actuarial valuations, upon its implementation for financial statements beginning in Fiscal Year 2014-15, GASB 68 may require the District and other member agencies to assume a lower rate of return to determine their respective net pension liability. Pursuant to GASB 68, if CalSTRS or any other defined benefit program is projected to exhaust all of its assets in the future, the assumed rate of return will only be applied to assets until such time as the assets are no longer sufficient to pay benefits. Subsequent thereto, the remaining liability will be discounted with a high-quality municipal bond rate. Accordingly, based upon GASB 68 and application of the accounting standards established therein, CalSTRS unfunded liability was estimated to be approximately \$167 billion unless a funding solution was approved and implemented before Fiscal Year 2014-15. In connection with the Fiscal Year 2014-15 State Budget Act (defined herein), the State approved, among other things, increases to CalSTRS contribution rates in order to reduce the UAAL of CalSTRS. See “– State Budget – Fiscal Year 2014-15 State Budget Act” herein.

Beginning in Fiscal Year 2014-15, employer, employee and State contributions to CalSTRS will increase pursuant to Assembly Bill 1469 (2014) (“AB 1469”), which was enacted in June 2014. The District’s employer contribution rate for Fiscal Year 2014-15 will increase from 8.25% of covered payroll to 8.88% of covered payroll. Beginning in Fiscal Year 2015-16, the District’s employer contribution rate will increase by 1.85% of covered payroll annually until the employer contribution rate is 19.10% of covered payroll. Pursuant to AB 1469, employee contributions for employees who joined CalSTRS prior to the approval by the Governor of the State (the “Governor”) of Assembly Bill 340, the California Public Employees’ Pension Reform Act in September 2012 (“PEPRA”), which established new retirement formulas for employees hired on or after January 1, 2013, will increase from 8.00% to 10.25% of covered payroll from Fiscal Year 2013-14 to Fiscal Year 2016-17. In addition, employee contributions for employees who joined CalSTRS after PEPRA will increase from 8.00% to 9.205% of covered payroll from Fiscal Year 2013-14 to Fiscal Year 2016-17. The State Teachers Retirement Board is authorized to modify the percentages paid by employers and employees for Fiscal Year 2021–22 and each fiscal year thereafter in order to eliminate CalSTRS’ unfunded liability by June 30, 2046 based upon actuarial recommendations. Pursuant to AB 1469, the State’s contribution rates will increase from 3.041% to 6.328% from Fiscal Year 2013-14 to Fiscal Year 2016-17. See “– State Budget – Fiscal Year 2014-15 State Budget Act” herein.

The CalSTRS Comprehensive Annual Financial Report for Fiscal Year 2013-14 states that as of June 30, 2014, the District’s employer contribution to CalSTRS for Fiscal Year 2013-14 was \$4,674,817, which amount reflects approximately 0.13% of all employer contributions.

The following Table A-4 sets forth the District’s regular annual contributions to CalSTRS for Fiscal Years 2009-10 through 2013-14, and budgeted regular annual contribution to CalSTRS for Fiscal Year 2014-15 and these contributions as a percentage of the District’s Total Governmental Funds expenditures for Fiscal Years 2009-10 through 2013-14. The District has always paid all required CalSTRS annual contributions. **[CONFIRM.]**

**TABLE A-4**  
**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**  
**Annual Regular CalSTRS Contributions<sup>(1)</sup>**  
**Fiscal Years 2009-10 through 2014-15**

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>District Contribution as Percentage of Total Governmental Funds Expenditures</u>
2009-10	\$4,530,389	3.8%
2010-11	4,427,966	3.8
2011-12	4,416,291	3.7
2012-13	4,464,266	3.7
2013-14	4,674,817	3.6
2014-15 <sup>(2)</sup>	5,010,935	N/A

<sup>(1)</sup> Reflects data for all District Funds, including the District's General Fund.

<sup>(2)</sup> Projected.

Sources: District contributions from the San Dieguito Union High School District Audited Financial Statements for Fiscal Years 2009-10 through 2013-14, and the District's Fiscal Year 2014-15 First Interim Report; and percentage of Total Governmental Funds Expenditures from the District.

The fair market value of the CalSTRS pension fund as of June 30, 2012 and June 30, 2013 was \$143.1 billion and \$157.2 billion, respectively, based on total system assets. The UAAL and funded status of the CalSTRS pension fund as of June 30 of Fiscal Years ended June 30, 2009 through June 30, 2013 are set forth in the following Table A-5. The individual funding progress for the District is not provided in the actuarial report from CalSTRS, but will be reported in the District's financial statements beginning in Fiscal Year 2014-15 pursuant to GASB 68. See " – Pension Accounting and Financial Reporting Standards" herein.

**TABLE A-5**  
**Actuarial Value of State Teachers' Retirement Fund Defined Benefit Program**  
**Valuation Dates June 30, 2009 through June 30, 2013**  
**(\$ in billions)**

<u>Valuation Date (June 30)</u>	<u>Accrued Liability</u>	<u>Actuarial Value of Assets<sup>(1)</sup></u>	<u>Unfunded Liability</u>	<u>Funded Ratio (Actuarial Value)</u>	<u>Funded Ratio (Fair Market Value)</u>
2009	\$185.683	\$145.142	\$40.541	78.0%	58.0%
2010	196.315	140.291	56.024	71.5	59.7
2011	208.405	143.930	64.475	69.1	67.2
2012	215.189	144.232	70.957	67.0	62.7
2013	222.281	148.614	73.667	66.9	66.5

<sup>(1)</sup> Actuarial Value of Assets does not include amounts allocable to the CalSTRS Supplemental Benefits Maintenance Account

Sources: California State Teachers' Retirement System Defined Benefit Program Actuarial Valuations as of June 30, 2009 through June 30, 2013.

CalSTRS produces a comprehensive annual financial report which includes financial statements and required supplementary information. Copies of the CalSTRS' comprehensive annual financial report may be obtained from CalSTRS, P.O. Box 15275, Sacramento, California 95851. The information presented in these reports is not incorporated by reference in this Official Statement.

**California Public Employees' Retirement System.** CalPERS is a defined benefit plan that covers classified personnel. Benefit provisions are established by State legislation in accordance with the Public Employees' Retirement Law. The District is unable to predict what the amount of State funding toward its pension liabilities will be in the future, or the amount of the contributions which the District may be required to make to CalPERS. Accordingly, there can be no assurances that the District's required contributions to CalPERS will not significantly increase in the future above current levels.

Active plan members are required to contribute 7% (miscellaneous) of their monthly salary and the District is required to contribute based on an actuarially determined rate. The actuarial methods and assumptions used for determining the rates are based on those adopted by Board of Administration of CalPERS. The required employer contribution rates for Fiscal Year 2013-14 were 11.442% for miscellaneous members. The required employer contribution rates for Fiscal Year 2014-15 are 11.771% for miscellaneous members. Historically, the District has contributed certain percentages for employees covered. See "District Financial and Operating Information – Employees; Labor Relations" herein.

The contribution requirements of the plan members are established by State statute. The District's contributions for all members for Fiscal Years 2009-10 through 2013-14 were in accordance with the required contribution rates calculated by CalPERS' actuary for each fiscal year. Accordingly, the District's annual pension costs for such fiscal years were equal to the annual required contributions and its net pension obligation to CalPERS for Fiscal Years 2009-10 through 2013-14 was \$0.

The following Table A-6 sets forth the District's regular annual contributions, inclusive of employee contributions paid by the District, to CalPERS for Fiscal Years 2009-10 through 2013-14 and the budgeted contribution for Fiscal Year 2014-15 and these contributions as a percentage of the District's Total Governmental Funds expenditures for Fiscal Years 2009-10 through 2013-14. The District has always paid all required CalPERS annual contributions.

**TABLE A-6**  
**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**  
**Annual CalPERS Regular Contributions**  
**Fiscal Years 2009-10 through 2014-15<sup>(1)</sup>**

<b>Fiscal Year</b>	<b>District Contributions<sup>(1)</sup></b>	<b>District Contribution as Percentage of Total Governmental Funds Expenditures</b>
2009-10 <sup>(2)</sup>	\$1,642,133	1.4%
2010-11 <sup>(2)</sup>	1,717,631	1.5
2011-12 <sup>(2)</sup>	1,721,302	1.4
2012-13 <sup>(2)</sup>	1,768,694	1.5
2013-14	1,773,135	1.4
2014-15 <sup>(3)</sup>	1,858,955	N/A

<sup>(1)</sup> Reflects data for all District Funds, including the District's General Fund.

<sup>(2)</sup> Includes regular contributions and employee contributions paid by the District and "PERS Recapture." Pursuant to State law, the State is allowed to recapture the savings corresponding to a lower CalPERS rate by reducing a school district's revenue limit apportionment by the amount of the school district's CalPERS savings in that year. Such recapture has occurred with respect to the District in each fiscal year since Fiscal Year 1982-83. Beginning in Fiscal Year 2013-14, the LCFF eliminated the PERS Recapture.

<sup>(3)</sup> Projected.

Sources: District contributions from the San Dieguito Union High School District Audited Financial Statements for Fiscal Years 2009-10 through 2013-14 and the District's Fiscal Year 2014-15 First Interim Report, percentage of Total Governmental Funds Expenditures from the District.

CalPERS is operated on a Statewide basis and, based on publicly available information, has significant unfunded liabilities. The amounts of the pension/award benefit obligation or UAAL will vary from time to time depending upon actuarial assumptions, and actual rates of return on investments, salary scales, and levels of contribution. The market value of the schools portion of the CalPERS pension fund as of June 30, 2013 and June 30, 2014 was \$44.85 billion and \$49.48 billion, respectively. The UAAL and funded status of the schools portion of CalPERS as of June 30 of Fiscal Years June 30, 2009 through June 30, 2013 are set forth in the following Table A-7. The individual funding progress for the District is not provided in the schools portion of actuarial report from CalPERS, but will be reported in the District's financial statements beginning in Fiscal Year 2014-15 pursuant to GASB 68.

**TABLE A-7**  
**Actuarial Value of Schools Portion of CalPERS**  
**Historical Funding Status**  
**Valuation Dates June 30, 2009 through June 30, 2013**  
**(\$ in millions)**

<b>Valuation Date (June 30)</b>	<b>Actuarial Accrued Liabilities</b>	<b>Market Value of Assets (MVA)</b>	<b>Funded Status (MVA)</b>	<b>Unfunded Liabilities/ (Surplus) (MVA)</b>	<b>Projected Payroll for Determining Contributions</b>	<b>Unfunded Liability/ (Surplus) as a % of Payroll</b>
2009	\$52,493.08	\$34,146.45	65.0%	\$18,346.63	\$11,109.76	165.1%
2010	55,306.96	38,435.17	69.5	16,871.79	11,283.40	149.5
2011	58,358.41	45,900.99	78.7	12,457.42	10,540.43	118.2
2012	59,439.13	44,853.80	75.5	14,585.33	10,242.25	142.4
2013	61,487.18	49,481.90	80.5	12,005.28	10,423.82	115.2

Source: CalPERS State & Schools Actuarial Valuation as of June 30, 2013.

The actuarial funding method used in the CalPERS State & Schools Actuarial Valuation as of June 30, 2013 is the "Individual Entry Age Normal Cost Method". The CalPERS State & Schools Actuarial Valuation as of June 30, 2012 assumes, among other things, a 7.50% investment rate of return (net of administrative expenses), projected 2.75% inflation, and projected payroll growth of 3.00%.

CalPERS issues a comprehensive annual financial report and actuarial valuations that include financial statements and required supplementary information. Copies of the CalPERS CAFR and actuarial valuations may be obtained from the CalPERS Financial Services Division, P.O. Box 942703, Sacramento, California 94229-2703. The information set forth therein is not incorporated by reference in this Official Statement.

**California Public Employees' Pension Reform Act of 2013.** In September 2012, the Governor approved Assembly Bill 340, the California Public Employees' Pension Reform Act of 2013 ("PEPRA"). Among other things, PEPRA establishes new retirement formulas for employees hired on or after January 1, 2013 ("PEPRA Employees") and prohibits public employers from offering defined benefit pension plans to PEPRA Employees that exceed the benefits provided thereunder. PEPRA increases the retirement age for new State, school, city and local agency employees depending on job function and limits the annual CalPERS and CalSTRS pension benefit payouts. PEPRA applies to all public employers except the University of California, charter cities and charter counties. However, PEPRA is applicable to those entities which contract with CalPERS.

PEPRA mandates equal sharing of normal costs between a contracting agency or school employer and their employees and that employees pay at least 50% of normal costs and that employers not pay any

of the required employee contribution. However, PEPRA limits the contribution to an amount not in excess of 8% of pay for local miscellaneous or school members, not more than 12% of pay for local police officers, local firefighters, and county peace officers, and not more than 11% of pay for all local safety members. PEPRA requires employers to complete a good faith bargaining process as required by law prior to implementing changes regarding the contribution requirements. The changes to required contribution requirements will go into effect on January 1, 2018 unless the employer and the affected bargaining unit have reached an agreement in accordance with PEPRA. See “District Financial and Operating Information – Employees; Labor Relations” herein.

In addition, PEPRA amends existing laws to redefine final compensation for purposes of pension benefits for PEPRA Employees. Further, PEPRA permits certain public employers who have offered a lower defined benefit retirement plan before January 1, 2013 to continue to offer such plan to PEPRA Employees. However, if a public employer adopts a new defined benefit plan on or after January 1, 2013, such plan will be subject to PEPRA requirements unless, among other things, its retirement system’s chief actuary and retirement board certify that the new plan is not riskier or costlier to the public employer than the defined benefit formula required under PEPRA.

***Pension Accounting and Financial Reporting Standards.*** In 2012, the Governmental Accounting Standards Board issued Statement No. 68, Accounting and Financial Reporting for Pensions (“GASB 68”), which revises and establishes new financial reporting requirements for most public employers, such as the District, that provide their employees with pension benefits and cost-sharing, multiple-employer plans, including CalSTRS and CalPERS. GASB 68, among other things, requires public employers providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability and provides greater guidance on measuring the annual costs of pension benefits, including through guidelines on projecting benefit payments, use of discount rates and use of the “entry age” actuarial cost allocation method. GASB 68 also enhances accountability and transparency through revised and new note disclosures and required supplementary information. GASB 68 becomes effective for the financial statements of plan employers, including the District’s financial statements, commencing in Fiscal Year 2014-15.

Pursuant to GASB 68, CalSTRS and CalPERS will use a new blended rate that reflects a long-term rate of return on plan assets, which reflects a pension fund’s long-term investment strategy, and a high-quality, non-taxable municipal bond index rate, to account for the potential need to borrow funds to pay pension benefits after net assets have been fully depleted. CalSTRS has cautioned that use of the new, blended discount rate may cause the financial statements of plans, such as CalSTRS, to reflect an increased unfunded liability.

***Post-Employment Benefits.*** In addition to the pension benefits described above, the District administers a single-employer healthcare plan (the “Post-Employment Benefit Plan”) that provides medical benefits to eligible retirees and their eligible dependents to age 65. To be eligible, a retiree must retire from the District with at least 10 years of eligible service. The District’s contribution for medical coverage is 100% of the cost for retiree-only medical coverage, up to a maximum based on the highest employee-only medical premium in effect in the year of retirement. The retiree is responsible for any cost above the maximum or for cost associated with the election of dependent medical coverage and/or dental coverage. The Post-Employment Benefit Plan has approximately 818 eligible active employees and 99 eligible retirees as of June 30, 2014.

The contribution requirements of the Post-Employment Benefit Plan members and the District are based on projected pay-as-you-go financing requirements, and are established and may be amended by the District, the San Dieguito Faculty Association and the local California School Employees Association.

For Fiscal Year 2013-14, the District contributed \$775,938 to the Post-Employment Benefit Plan, all of which was used for current premiums.

The District's annual other post-employment benefit ("OPEB") cost is calculated based on the annual required contribution of the employer (the "ARC"), being an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any UAAL over a period not to exceed thirty years. As of June 30, 2014, the District's OPEB ARC was \$2,404,081 and its net OPEB obligation (taking into contributions made and various adjustments) was \$8,084,913. See Note O to the Financial Statements of the District for the Fiscal Year ended June 30, 2014 attached as Appendix B hereto.

***Compensated Absences and Other Obligations.*** The long-term portion of accumulated and unpaid employee compensated absences for the District as of June 30, 2014 was \$1,156,562. See Appendix B – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2014 – Note J" attached hereto

### **Summary of District Revenues and Expenditures**

The table on the following page summarizes the District's general fund revenue, expenditures and fund balances from Fiscal Years 2010-11 through 2013-14 (audited) and Fiscal Year 2014-15 (projected). See "DISTRICT FINANCIAL AND OPERATING INFORMATION - District Budget Process and County Review" herein for a general description of the annual budget process for California school districts. The District's audited financial statements for the year ended June 30, 2014, are attached hereto as Appendix B. The final (unaudited) statement of receipts and expenditures for each fiscal year ending June 30 is required by State law to be approved by the District Board of Trustees by September 15, and the audit report must be filed with the County of San Diego Superintendent of Schools and State officials by December 15 of each year.

The District is required by State law and regulation to maintain various reserves. The District is generally required to maintain a reserve for economic uncertainties in the amount of 3% of its total general fund expenditures and transfers, based on total student attendance below 30,000. For fiscal year 2012-13, the District has budgeted an unrestricted general fund reserve of 7.4%, or approximately \$7.7 million. Substantially all funds of the District are required by law to be deposited with and invested by the County Treasurer-Tax Collector on behalf of the District, pursuant to law and the investment policy of the County. See APPENDIX E – "SAN DIEGO COUNTY TREASURY POOL" attached hereto.



**Comparative Financial Statements**

The following Table A-8 summarizes the District's general fund revenue, expenditures and fund balances for fiscal years 2010-11 through 2013-14.

**TABLE A-8**  
**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**  
**General Fund Revenues, Expenditures and Changes in Fund Balances**  
**2010-11 Through 2013-14**

	2010-11 <u>Audited</u>	2011-12 <u>Audited</u>	2012-13 <u>Audited</u>	2013-14 <u>Audited</u>
<b>Revenues</b>				
LCFF Sources:				
State Apportionment or State Aid	\$(22,844)	\$(40,226)	\$2,314,039	\$373,165
Education Protection Account Funds	-	-	-	2,409,140
Local Sources	77,547,264	78,679,381	80,438,033	83,353,086
Federal Revenue	6,387,085	5,138,676	4,081,236	4,218,722
Other State Revenue	5,146,872	7,015,366	5,735,578	10,935,047
Other Local Revenue	9,290,931	9,787,396	9,865,186	10,346,093
<b>Total Revenues</b>	<u>\$98,349,308</u>	<u>\$100,580,593</u>	<u>\$102,434,072</u>	<u>\$111,635,253</u>
<b>Expenditures</b>				
Instruction	\$58,599,593	\$61,142,141	\$61,389,763	\$66,750,271
Instruction – Related Services	11,879,099	10,283,178	9,741,492	9,922,164
Pupil Services	9,281,635	10,788,504	11,517,024	11,073,502
Ancillary Services	2,064,691	2,284,307	2,405,112	2,386,394
General Administration	5,436,047	5,355,614	5,272,644	5,065,890
Plant Services	9,844,861	9,544,048	9,774,115	9,950,136
Other Outgo	1,175,341	499,552	896,231	724,984
Debt Service:				
Debt Issue Costs	-	322,798	-	-
Principal	765,588	765,588	765,588	765,588
Interest	819,623	840,639	840,567	822,185
<b>Total Expenditures</b>	<u>\$99,866,478</u>	<u>\$101,826,369</u>	<u>\$102,602,536</u>	<u>\$107,461,114</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,517,170)	(1,245,776)	(168,464)	4,174,139
<b>Other Financing Sources/(Uses)</b>				
Transfers In	\$525,773	-	\$765,588	\$1,304,997
Transfers Out	(208,584)	\$(326,531)	\$(117,992)	(64,664)
Other Sources	-	-	-	-
Other Uses	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>\$317,189</u>	<u>\$(326,531)</u>	<u>\$647,596</u>	<u>\$1,240,333</u>
<b>Net Change in Fund Balances</b>	<u>\$(1,199,981)</u>	<u>\$(1,572,307)</u>	<u>\$479,132</u>	<u>\$5,414,472</u>
Fund Balance, July 1	<u>\$18,937,909</u>	<u>\$17,737,928</u>	<u>\$16,165,620</u>	<u>\$16,644,753</u>
Fund Balance, June 30	<u><u>\$17,737,928</u></u>	<u><u>\$16,165,621</u></u>	<u><u>\$16,644,752</u></u>	<u><u>\$22,059,225</u></u>

Sources: The District's audited financial statements for fiscal years ended June 30, 2011, 2012, 2013 and 2014.

**District Debt Structure**

**Long-Term Debt Summary.** Long-term obligations include debt and other long-term liabilities. Table A-9 below sets forth the changes in the District's long-term obligations during fiscal year 2013-14.

**TABLE A-9**  
**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**  
**Long-Term Debt Summary and**  
**Debt Service Requirements Therefor**

Government Activities	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
General Obligation Bonds	\$160,000,000	–		\$160,000,000	\$10,245,000
Unamortized Discount	(744,000)	–	\$ (28,615)	(715,385)	–
Unamortized Premium	8,336,717	–	320,643	8,016,074	–
Special Tax Bonds <sup>(2)</sup>	81,220,000	–	1,925,000	79,295,000	2,025,000
Unamortized Discount	(1,320,718)	–	(45,542)	(1,275,176)	–
Lease Revenue Bonds	15,515,000	–	2,785,000	12,730,000	–
Unamortized Discount	(355,275)	–	(27,329)	(327,946)	–
Unamortized Premium	91,343	–	91,343	–	–
Net OPEB Obligation	6,924,169	\$1,757,009	596,265	8,084,913	–
Compensated absences <sup>(1)</sup>	1,018,643	137,919	–	1,156,562	1,156,562
State Loan Payable	2,400,000	–	300,000	2,100,000	300,000
Total governmental activities	<u>\$273,085,879</u>	<u>\$1,894,928</u>	<u>\$5,916,765</u>	<u>\$269,064,042</u>	<u>\$13,726,562</u>

<sup>(1)</sup> Other long-term liabilities.

The funds typically used to liquidate other long-term liabilities in the past are as follows:

<u>Liability</u>	<u>Activity Type</u>	<u>Fund</u>
Compensated absences	Governmental	General

<sup>(2)</sup> The special tax bonds are the obligations of the San Dieguito Union High School District Community Facilities Districts, which are secured by special taxes levied upon the property with the community facilities district and are not payable from ad valorem property taxes levied by the County on property within the District.

Source: San Dieguito Union High School District Audited Financial Statements for Fiscal Year ended June 30, 2014.

**Lease Revenue Bonds.** In May 2010, the District entered into a facility lease agreement with the Authority to execute and deliver Lease Revenue Bonds, Series 2010A (Qualified School Construction Bonds - Direct Subsidy) in the amount of \$13,015,000 with an interest rate of 6.459% for various capital projects and public school improvements, including the installation of solar power facilities at La Costa Canyon High School and the Canyon Crest Solar Facility. The 2010A Lease Revenue Bonds are designated as qualified school construction bonds under Section 54F of the Code. Of the 6.459% per annum paid in interest on the 2010A Lease Revenue Bonds, 5.660% per annum was scheduled to be reimbursed by direct subsidy payments from the federal government pursuant to Section 6431 of the Code. However, the federal Balanced Budget and Emergency Deficit Control Act of 1985, as amended, included provisions that reduced the subsidy paid. The reduction in the subsidy payment decreased the semi-annual payment to the District by \$34,364.41 (from \$368,324.50 to \$333,960.09) through September 30, 2015. The sequestration reduction rate will be applied unless Congress acts to intervene. Without Congressional intervention, the sequestration rate is subject to change in the following federal fiscal year. The District cannot predict whether or how subsequent sequestration actions may affect subsidy payments currently scheduled for receipt in future federal fiscal years.

In March 2012, the District entered into a facility lease agreement with the San Dieguito Public Facilities Authority to execute and deliver Lease Revenue Bonds, Series 2012A in the amount of



\$2,500,000 with an interest rate of 4% for various capital projects and public school improvements. Through the facility lease, the District is obligated to make semi-annual base revenue payments to a principal amount beginning March 2016 and continuing annually through March 2020. Interest on the lease revenue bonds is to be paid semi-annually on September 1 and March 1 beginning on September 1, 2012 and continuing through March 1, 2020.

***Tax and Revenue Anticipation Notes.*** Because District revenues from local property taxes and State categorical funds are received at irregular intervals throughout the year, while expenditures tend to be incurred on a regular monthly basis, the District may find it necessary to borrow for short-term cash needs by issuance of tax and revenue anticipation notes. In July 2014, the District entered into the County of San Diego and San Diego County School Districts 2014 Pooled Tax and Revenue Anticipation Notes in the amount of \$18,875,000. The notes mature on June 30, 2015 with an interest rate of 2.00% and amounts for the full repayment of the notes have been set aside as of April 2015. The notes were sold by the District to supplement the District's cash flow. The District [does] anticipate issuing Tax and Revenue Anticipation Notes in Fiscal Year 2014-15.

### **Future Financings**

The District may issue additional general obligation bonds and general obligation refunding bonds depending upon project needs and market conditions. The District may not issue general obligation bonds if the tax rate levied to meet the debt service requirements for general obligation bonds approved at a single election, such as the Proposition AA Authorization, is projected to exceed \$30 per year per \$100,000 of taxable property in accordance with Article XIII A of the State Constitution. See "California Constitutional and Statutory Provisions Relating to *Ad valorem* Property Taxes, District Revenues and Appropriations – Article XIII A" and " – Proposition 39" herein.

Pursuant to the State Education Code, the District's bonding capacity for general obligation bonds is 1.25% of the taxable property valuation of property within the District as of the last assessment roll. Prior to the issuance of the Bonds, the District had issued approximately \$160 million aggregate principal amount of general obligation bonds under the Proposition AA Authorization (the "2013 Bonds"). The District's 2013 Bonds are outstanding in an amount which is approximately 0.3% of the assessed valuation in the District for Fiscal Year 2014-15 which is approximately \$52.7 billion. See "California Constitutional and Statutory Provisions relating to *Ad valorem* Property Taxes, District Revenues and Appropriations—Article XIII A of the State Constitution" herein.

### **Insurance and Joint Powers Arrangements**

***Self Insurance.*** [Please update.] The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is self-insured through the San Diego County Schools and Imperial County Schools Risk Management Joint Powers Authority (the "JPA") which provides workers' compensation insurance, general liability, property, automobile and other miscellaneous coverage. Under this program the JPA provides coverage through a Workers' Compensation Fund. The District receives user charges based upon each member's respective covered payroll. Coverage is provided for workers compensation with \$100,000 per occurrence being self-funded. Costs above the first \$100,000 are covered by an excess insurance policy of up to \$25,000,000. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District receives property/casualty loss and general liability insurance coverage through the JPA. A \$5,000,000 insurance policy is in effect with a deductible per occurrence of up to \$25,000 and a \$100,000 self-insured retention. The JPA pool covers losses in excess of the self-insured retention up to

\$500,000. The next \$4.5 million is covered by an excess insurance policy through a commercial carrier. The Schools Excess Liability Fund then provides an additional \$20,000,000 of coverage. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**Joint Powers Authorities.** In addition to the Authority, as noted above the District participates in the San Diego County Schools and Imperial County Schools Risk Management Joint Powers Authority. The relationship between the District and the JPA is such that the JPA is not a component unit of the District for financial reporting purposes. Financial statements for the JPA are available from such entity.

The JPA was created for the purpose of arranging for and providing various types of insurance for its member districts as requested. The JPA is governed by a board consisting of a representative from each member district. The board of the JPA controls the operations of the JPA, including selection of arrangement and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPA.

### **Charter Schools**

There are no charter schools operating within the District.

## **STATE FUNDING OF EDUCATION**

### **General**

Public school district revenues consist primarily of guaranteed State moneys, *ad valorem* property taxes and funds received from the State and federal government in the form of categorical aid, which are amounts restricted to specific categories of use, under various ongoing programs. All State apportionment of funds pursuant to the LCFF (collectively, “State Aid”) is subject to the appropriation of funds in the State’s annual budget. Decreases in State revenues may affect appropriations made by the State Legislature to the District. See “District Financial and Operating Information” herein. Beginning with the Fiscal Year ended June 30, 2014, the State has replaced the former revenue limit formula for State Aid to school districts with the LCFF. The State expects the LCFF to be fully phased in by the Fiscal Year ending June 30, 2021.

Payments made to K-12 public schools and public colleges and universities are priority payments for State funds and are expected to be made prior to other State payment obligations. Although the State Constitution protects the priority of payments to K-12 schools, college and universities, it does not protect the timing of such payments and other obligations may be scheduled and have been scheduled to be paid in advance of those dates on which payments to school districts are scheduled to be made.

A large percentage of a school district’s budgeted revenues comes from categorical funds provided exclusively by the State and federal government. These funds are to be used for specific programs and typically cannot be used for any other purpose. Some school districts derive a significant portion of their operating funds from voter-approved parcel taxes.

### **Local Control Funding Formula**

**General.** The LCFF allocates State Aid to school districts through base grants (the “Base Grant”), supplemental grants (the “Supplemental Grant”) and concentration grants (the “Concentration Grant”). In connection with the LCFF, funding for most State categorical programs has been eliminated.

For Fiscal Year 2014-15, the LCFF proposes to provide to school districts and charter schools: (a) a Target Base Grant for each LEA equivalent to \$7,011 per ADA for kindergarten through grade 3; (b) a Target Base Grant for each LEA equivalent to \$7,116 per ADA for grades 3 through 6; (c) a Target Base Grant for each LEA equivalent to \$7,328 per ADA for grades 7 and 8; (d) a Target Base Grant for each LEA equivalent to \$8,491 per ADA for grades 9 through 12; (e) a Supplemental Grant equal to 20% of the adjusted Base Grant for students classified as English learners (“EL Students”), students eligible to receive a free or reduced-price meal (“FRPM Students”), foster youth (“Foster Youth”) or any combination of these factors (collectively, “Targeted Disadvantaged Students”); (f) a Concentration Grant equal to 50% of the adjusted Base Grant for Targeted Disadvantaged Students exceeding 55% of an LEA’s enrollment; and (g) an additional funding amount based on an “economic recovery target” to ensure that virtually all districts are at least restored to their State funding levels for Fiscal Year 2007-08 (adjusted for inflation) and a minimum amount of State Aid to LEAs. However, actual funding pursuant to the LCFF is not expected to equal the Target Base Grant. The LCFF is expected to be fully funded in the seventh year of its implementation.

The LCFF uses unduplicated students count for Supplemental and Concentration Grants. Accordingly, a school district will receive Supplemental Grant for a Targeted Disadvantaged Student once regardless of whether such student falls into one or more of the EL Student, FRPM Student or Foster Youth categories.

Basic aid districts, including the District, did not receive additional funding under the LCFF. These districts, which have high existing per-pupil funding rates, are the ones that benefit from the hold harmless provision of the LCFF, which provides that no district is to receive less State Aid than it received in Fiscal Year 2012-13 for revenue limits (calculated on a per-ADA basis) and categorical programs (calculated based on the district’s total entitlement).

The following Table A-10 sets forth the District's total funding, including amounts received from property taxes and as a result of the hold harmless provision of the LCFF, for Fiscal Year 2013-14 and the projected total fund for Fiscal Year 2014-15, as reflected in the Second Interim Report.

TABLE A-10

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
General Fund Total Funding Sources**

Fiscal Year	LCFF Sources		Basic Aid Sources				Total Funding
	LCFF Funding Target	LCFF Phase-In Entitlement Funding	Property Taxes	Educational Protection Account in Excess of LCFF Entitlement	Property Taxes in Excess of LCFF Entitlement	State Hold Harmless Funding	
2013-14 <sup>(1)</sup>	\$100,349,710	\$76,684,942	\$82,387,345	\$2,407,650	\$6,022,496	\$320,093	\$85,115,088
2014-15 <sup>(2)</sup>	103,408,792	84,580,620	86,331,637	2,408,000	2,104,335	353,318	89,092,955

<sup>(1)</sup> Actual.

<sup>(2)</sup> Second Interim.

Source: San Dieguito Union High School District.

**Economic Recovery Target.** During the period in which LCFF is phased in, the State will provide additional funding to certain LEAs (the "Economic Recovery Target"). The Economic Recovery Target for Fiscal Year 2013-14 is based on the greater of such LEA's target amount pursuant to the LCFF target amount and such LEA's revenue limit allocation during Fiscal Year 2012-13 per ADA inclusive of any adjustments due to the deficit factor, basic aid fair share reductions, charter school general purpose funding and any applicable categorical program funding. To the extent that the revenue limit allocation would be greater than the allocation pursuant to the LCFF, the State provides the additional allocation to the LEA. The Economic Recovery Target is expected to ensure that funding to most LEAs is restored to the levels allocated by the State in Fiscal Year 2007-08 adjusted for inflation. School districts and charter schools that are above the 90th percentile of per-pupil funding rates under the revenue limit formula for State Aid will not be eligible for payments of the Economic Recovery Target. The District does not expect to receive an allocation towards the Economic Recovery Target in Fiscal Year 2014-15.

**Local Control Funding Formula Gap Funding.** The LCFF funds a portion of the gap between the funding received by an LEA during the prior fiscal year and the target amount under the LCFF (the "LCFF Gap Funding"). During Fiscal Year 2013-14, the State provided to LEAs their Fiscal Year 2012-13 funding plus a portion of the LCFF Gap Funding. For Fiscal Year 2014-15 and each fiscal year thereafter, an LEA's funding amount will be based on recalculation of its target amount under the LCFF and its prior year's funding including any prior fiscal year's transition funding converted to a per-ADA value and then adjusted for current year ADA.

The Fiscal Year 2014-15 State Budget Act allocates an additional \$4.75 billion of Proposition 98 General Fund to address the projected deficit in funding for implementation of the LCFF. The additional funding for the LCFF in Fiscal Year 2014-15 is expected to increase the LCFF Gap Funding from 28.06% to 29.59%. On July 3, 2014, the State's Department of Finance released revised funding percentages which are expected to close the remaining gap with respect to full funding of the LCFF. The District expects to incorporate the revised LCFF Gap Funding percentages into its multiyear projections in order to adjust the District's Fiscal Year 2014-15 Adopted Budget.

**Local Control and Accountability Plan.** Pursuant to the LCFF, school districts, county offices of education and charter schools are required to develop, adopt and annually update a three-year local control and accountability plan (“LCAP”) beginning July 1, 2014. The LCAP is required to identify goals and measure progress for student subgroups across multiple performance indicators. The District Board adopted the LCAP for the District in June 2014. The initial plan addresses actions through 2017 and will be updated by the District annually by July 1.

The State’s priorities include, among other things, compliance with the *Williams* settlement with respect to appropriateness of teacher assignments, ensuring that teachers are fully credentialed in the subject areas and for the pupils they are teaching, and ensuring that every pupil in the school district has sufficient access to the standards-aligned instructional materials as determined in accordance with the Education Code. In addition, school facilities are to be maintained in good repair. The State requires proper implementation of the academic content and performance standards adopted by the State Board of Education and will measure parental involvement (e.g., efforts to seek input from parents or guardians regarding decisions for the district and the school site), pupil achievement (e.g. performance on Statewide assessments, the Academic Performance Index, readiness for college or career technical education, progress towards English proficiency, performance on advance placement examinations), pupil engagement (e.g., school attendance rates, chronic absenteeism rates, middle school dropout rates, high school dropout and graduation rates, pupil suspension and expulsion rates, etc.), access and enrollment in a broad course of study including the core subject areas and programs and services developed and provided to Targeted Disadvantaged Students, and pupil outcomes in the subject areas comprising a broad course of study.

The State Board of Education is required to adopt regulations that govern the expenditure of the Supplemental Grant and Concentration Grant funding. These regulations will require school districts, county offices of education, and charter schools to increase and improve services for Targeted Disadvantaged Students and will provide authority for school districts to spend funds school-wide when significant populations of Targeted Disadvantaged Students attend a school. LEAs will be required to obtain input from parents of students and the general public in connection with the development, revision and updates of LCAPs. In addition, County superintendents will review school district LCAPs and county offices of education will be required to provide technical assistance if they disapprove an LCAP. The Education Code grants the State Superintendent of Public Instruction authority to intervene if a school district or charter school fails to show improvement across multiple subgroups in three out of four consecutive years.

### **Prior Revenue Limit Funding**

Historically, the majority of the funding that the districts received was determined by the State revenue limit formula. This apportionment formula was funded by State general fund moneys, including amounts from the Education Protection Account (the “EPA”) created in the State general fund to receive and disburse revenues derived from the incremental increases in taxes resulting from the herein described Proposition 30, and local *ad valorem* property taxes, and was allocated to the school districts based on the average daily attendance (“ADA”) of the school districts for either the current or preceding school year. All State apportionment of revenue limit aid (“State Aid”) was subject to the appropriation of funds in the State’s annual budget, and was based on the amount of the school district’s revenue limit remaining after taking into account its EPA entitlement and local property tax allocation. State revenue limit was based on an amount of support per pupil and revenue limit calculations were adjusted annually by a legislatively determined cost of living adjustment in accordance with a number of factors, primarily to provide cost of living increases and to equalize revenues among all California school districts of the same type (*i.e.*, all unified school districts, all high school districts or all elementary school districts). The per-pupil amount was multiplied by the respective school district average daily attendance to determine the total revenue



limit. Decreases in State revenues affected appropriations made by the State Legislature to school districts, including the districts. See “State and Federal Funding of Education - Recent State Budgets” herein. Each district received a portion of the local *ad valorem* property taxes that were collected within its district boundaries. This amount, together with amounts allocated to a district from the EPA, was compared to the total revenue limit; the balance was received in the form of State aid. Therefore, State aid received by a district consisted of EPA funds and the portion of State apportionment of funds after the offset from local property taxes.

Districts that have local property tax collections that equal or exceed their respective revenue limits (the “Basic Aid” districts) were permitted to keep all of their property tax revenues and receive only certain constitutionally guaranteed basic aid funding from the State in the form of categorical funding. The implication for Basic Aid districts was that the legislatively determined annual cost of living adjustment and other politically determined factors are less significant in determining such districts primary funding sources. Rather, property tax growth and the local economy became the determining factors. The District became a Basic Aid district in Fiscal Year 2008-09. During Fiscal Year 2012-13, approximately 78% of the District’s General Fund revenues were derived from the revenue limit. See “California Constitutional and Statutory Provisions relating to *Ad valorem* Property Taxes, District Revenues and Appropriations” herein.

ADA is reported by school districts each year in April, July and December. The calculation of the amount of State Aid a school district is entitled to receive each year is basically a five-step process. First, the prior year school district revenue limit per ADA was established, with recalculations as are necessary for adjustments for equalization or other factors. Second, the adjusted prior year revenue limit per ADA was inflated according to formulas based on the implicit price deflator for government goods and services and the statewide average revenue limit per ADA for school districts. During this phase, a deficit factor could be applied to the base revenue limit if so provided in the State Budget Act (as defined herein) for a given fiscal year (when appropriation of funds in the State’s annual budget for revenue limits or for any categorical program is not sufficient to pay all claims for State Aid, a deficit factor was applied to reduce the allocation of State Aid to the amount appropriated). Third, the current year’s revenue limit per ADA for each school district was multiplied by such school district’s ADA for the current or prior year. For a school district with declining enrollment, the current year’s revenue limit per ADA was multiplied by the school district’s ADA for the prior year. Fourth, revenue limit add-ons were calculated for each school district if such school district qualified for the add-ons. Add-ons include the necessary small school district adjustments, meals for needy pupils and small school district transportation, and are added to the revenue limit for each qualifying school district. Fifth, local *ad valorem* property taxes allocated from the general 1% *ad valorem* property tax levy were deducted from the revenue limit to arrive at the amount of State Aid to which each school district is entitled for the current year.

***Education Revenue Augmentation Fund.*** As part of the Fiscal Year 1992-93 State budget resolution, the State required counties, cities and special districts to shift *ad valorem* property tax revenues to school districts by contributing to the Education Revenue Augmentation Fund (“ERAF”) in lieu of direct payments to school districts from the general fund of the State (the “State General Fund”). This transfer is commonly referred to as the “ERAF shift.” The Fiscal Year 1993-94 State Budget Act required a similar shift of *ad valorem* property taxes to school districts from local government entities, which shift of *ad valorem* property taxes has continued. The manner in which the shift of *ad valorem* property taxes has occurred has varied year by year. As a result of the various shifts of *ad valorem taxes*, school districts no longer receive ERAF funds.

Proposition 1A (defined herein) generally prohibited the State from shifting to schools or community colleges any share of *ad valorem* property tax revenues allocated from the 1% levy to local governments for any fiscal year, as set forth under the laws in effect as of November 3, 2004. However,

Proposition 1A provided that beginning in Fiscal Year 2008-09, the State could shift to schools and community colleges up to 8% of local government property tax revenues from the general 1% *ad valorem* property tax levy, which amount must be repaid, with interest, within three years, if the Governor proclaims that the shift is needed due to a severe State financial hardship, the shift is approved by two-thirds of both houses and certain other conditions are met. Notwithstanding the aforementioned shifts in property tax revenues in prior fiscal years, certain levels of funding are guaranteed as described in “ – Proposition 98” below. *Ad valorem* property taxes levied to pay debt service on the District’s general obligation bonds, are not subject to the shifts described above for *ad valorem* property taxes provided from the 1% levy. Further, the State’s ability to initiate future exchanges and shifts of funds will be limited by Proposition 22. See “California Constitutional and Statutory Provisions relating to *Ad Valorem* Property Taxes, District Revenues and Appropriations—Proposition 1A” and “ – Proposition 22” herein.

### **Proposition 98**

On November 8, 1988, voters of the State approved Proposition 98, a combined initiative constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act.” Proposition 98 changed State funding of public education below the university level and the operation of the State’s appropriation limit as described in Article XIII B of the State Constitution, primarily by guaranteeing K-14 schools a minimum share of State General Fund revenues. Under Proposition 98 (as modified by Proposition 111, which was enacted on June 5, 1990), there are currently three tests which determine the minimum level of K-14 funding. See “Constitutional and Statutory Provisions Relating to *Ad Valorem* Property Taxes, District Revenues and Appropriations” herein. Proposition 98 also contains provisions transferring certain State tax revenues in excess of the revenue limit to K-14 schools under Article XIII B of the State Constitution.

Proposition 98 permits the State Legislature, by two-thirds vote of both houses and with the Governor’s concurrence, to suspend the K-14 schools’ minimum funding formula for a one-year period. The amount of suspension is eventually repaid according to a specified State Constitutional formula, thereby restoring Proposition 98 funding to the level that would have been required in the absence of such suspension. The Fiscal Year 2015-16 Proposed State Budget estimates that the State has outstanding approximately \$1.5 billion in Proposition 98 settle-up payments owed to K-14 schools’ resulting from the suspension of the Proposition 98 minimum guarantee in previous years. The Fiscal Year 2014-15 State Budget Act and the Fiscal Year 2015-16 Proposed State Budget project that the State will fully fund the Proposition 98 minimum guarantee for Fiscal Years 2014-15 and 2015-16, respectively. See “State Budget – Fiscal Year 2014-15 State Budget Act” and “ – Fiscal Year 2015-16 Proposed State Budget” herein.

Assembly Bill No. 6 (“ABx8 6”), which was adopted in March 2010, authorized the State to eliminate the sales tax on gasoline and replace it with an excise tax. The elimination of the sale tax on gasoline would reduce the State General Fund. Under current law, any reduction in the State General Fund could reduce the minimum guarantee under Proposition 98. Pursuant to ABx8 6, the State Director of Finance is directed to adjust the percentage of State General Fund revenues appropriated for school districts and community college districts such that the provisions of ABx8 6 will have no net fiscal impact upon the amounts that are otherwise required to be applied by the State for the support of school districts and community college districts pursuant to Proposition 98. However, there can be no assurances that any action taken by the State Director of Finance will not adversely affect Proposition 98 revenues. See “ – State Budget – Fiscal Year 2014-15 State Budget Act” “ – Fiscal Year 2015-16 Proposed State Budget” and “California Constitutional and Statutory Provisions relating to *Ad Valorem* Property Taxes, District Revenues and Appropriations—Proposition 98,” and “ – Proposition 22” herein.

## Litigation Regarding State Budgetary and Fiscal Actions

On May 20, 2010, more than 60 individual students and their respective families, nine school districts within the State, the California Congress of Parents Teachers & Students, the Association of California School Administrators, and the California School Boards Association filed a complaint for declaratory and injunctive relief, entitled *Maya Robles-Wong, et al. v. State of California, et al.* (the “Robles Complaint”), in the Alameda County Superior Court. The Robles Complaint alleged, among other things, that the State’s current system of funding public education is not designed to support the core education program required by the State and that the State has failed to meet its duties under the State Constitution to keep up and support a “system of common schools” and sought declaratory and injunctive relief. The District is not a party in the Robles Complaint. In June 2011, the Alameda County Superior Court sustained the State’s demurrer to the lawsuit with leave to amend finding that the plaintiffs did not sufficiently establish an equal protection claim. The plaintiffs are currently appealing this ruling.

On July 13, 2010, 18 individual students and their respective families, three taxpayer citizens, the Campaign for Quality Education, the Alliance of Californians for Community Empowerment, Californians for Justice and the San Francisco Organizing Project filed a complaint for declaratory and injunctive relief, entitled *Campaign for Quality Education, et al., v. State of California and Arnold Schwarzenegger, Governor of the State of California*, (the “CQE Complaint”) in the Alameda County Superior Court. The CQE Complaint alleged, among other things, that the State violated its constitutional duties by failing to provide the individual plaintiffs’ school districts with sufficient funds and access to a meaningful education sought declaratory and injunctive relief. The District is not a party in the CQE Complaint. In June 2011, the Alameda County Superior Court sustained the State’s demurrer to the lawsuit with leave to amend. The plaintiffs are currently appealing this ruling.

The District cannot predict whether the plaintiffs listed in the Robles Complaint or the CQE Complaint will be successful on appeal, and if so, how any final court decision with respect to either lawsuit would affect the financial status of the District, as the nature of any court’s remedy and the responses of the State Legislature and the Governor are unknown.

## State Budget

**General.** The District’s operating income consists primarily of two components, which include a locally generated portion derived from the District’s share of the general 1% *ad valorem* property tax levy authorized by the State Constitution (which accounts for 86.2% of the District’s Fiscal Year 2013-14 General Fund revenues) and the State Aid portion funded from the State General Fund (which accounted for 9.9% of the District’s Fiscal Year 2013-14 General Fund revenues). In addition, school districts, such as the District, may be eligible for other special categorical funding, including funding for certain State and federal programs. The amount of funding attributable to State Aid may increase depending on local property tax revenue growth within the jurisdiction of the District at full implementation of the LCFF. Accordingly, decreases in State revenues, or in State legislative appropriations made to fund education, may adversely affect District operations.

The following description of the State’s budget has been obtained from publicly available information which the District believes to be reliable; however, none of the District, its counsel (including Disclosure Counsel or the Financial Advisor guarantees the accuracy or completeness of this information and have not independently verified such information. Additional information regarding State budgets is available at various State-maintained websites, including [www.dof.ca.gov](http://www.dof.ca.gov). These websites are not incorporated herein by reference and none of the District, its counsel (including Disclosure Counsel), or the Financial Advisor make any representation as to the accuracy of the information provided therein.



***The State Budget Process.*** The State’s fiscal year begins on July 1 and ends on June 30. According to the State Constitution, the Governor of the State (the “Governor”) is required to propose a budget for the next fiscal year (the “Governor’s Budget”) to the State Legislature no later than January 10 of each year. State law requires the Governor to update the Governor’s Budget projections and budgetary proposals by May 14 of each year (the “May Revision”). Proposition 25, which was adopted by voters in the State at an election held on November 2, 2010, amended the State Constitution such that a final budget must be adopted by a simple majority vote of each house of the State Legislature by no later than June 15 and the Governor must sign the adopted budget by no later than June 30. The budget becomes law upon the signature of the Governor (the “Budget Act”).

Under State law, the annual proposed Governor’s Budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years. Following the submission of the Governor’s Budget, the State Legislature takes up the proposal. Under the State Constitution, money may be drawn from the State Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the Budget Act, as approved by the State Legislature and signed by the Governor. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each House of the State Legislature. Appropriations also may be included in legislation other than the Budget Act. Bills containing appropriations (except for K-14 education) must be approved by a two-thirds majority vote in each House of the State Legislature and be signed by the Governor. Bills containing K-14 education appropriations require only a simple majority vote. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution. Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt. However, delays in the adoption of a final State budget in any fiscal year may affect payments of State funds during such budget impasse. See “ – State Funding of Schools Without a State Budget” herein for a description of payments of appropriations during a budget impasse.

***Fiscal Year 2014-15 State Budget Act.*** On June 20, 2014, the Governor approved the State Budget Act for Fiscal Year 2014-15 (the “Fiscal Year 2014-15 State Budget Act”), which projects Fiscal Year 2013-14 State General Fund revenues and transfers of \$102.2 billion, total expenditures of \$100.7 billion and a year-end surplus of \$3.90 billion (inclusive of the \$2.4 billion fund balance in the State’s General Fund from Fiscal Year 2012-13), of which \$955 million would be reserved for the liquidation of encumbrances and \$2.95 billion would be deposited in a reserve for economic uncertainties. The Fiscal Year 2014-15 State Budget Act projects Fiscal Year 2014-15 State General Fund revenues and transfers of \$105.5 billion, total expenditures of \$108.0 billion and a year-end surplus of \$1.40 billion (inclusive of the projected \$3.90 million State General Fund balance as of June 30, 2014 which would be available for Fiscal Year 2014-15), of which \$955 million would be reserved for the liquidation of encumbrances and \$449 million would be deposited in a reserve for economic uncertainties. The Fiscal Year 2014-15 State Budget Act projects that the State’s multi-year budget will be balanced for the foreseeable future, but cautions that the unprecedented level of debts, deferrals, and budgetary obligations accumulated over the prior decade contribute to the State’s fiscal challenges.

The Fiscal Year 2014-15 State Budget included the constitutional amendment (“Proposition 2 (2014)”) which, upon its approval at the November 2014 Statewide election, changed the formula by which the Rainy Day Fund is funded and established certain accounts therein. Proposition 2( 2014), among other things, established a Public School System Stabilization Account in the Rainy Day Fund. See “State Funding of Education – Limitations on School District Reserves” and “California Constitutional and Statutory Provisions Relating to *Ad Valorem* Property Taxes, District Revenues and Appropriations – Proposition 98” herein.

Features of the Fiscal Year 2014-15 State Budget Act affecting school districts in general included, but are not limited to, the following:

1. The Fiscal Year 2014-15 State Budget Act included Proposition 98 funding for education in the amount of \$60.9 billion for Fiscal Year 2014-15 which reflects an increase of \$5.6 billion compared to the expected funding set forth in the Fiscal Year 2013-14 State Budget Act.

2. The Fiscal Year 2014-15 State Budget Act allocated an additional \$4.75 billion of Proposition 98 General Fund to address the projected deficit in funding for implementation of the LCFF.

3. The Fiscal Year 2014-15 State Budget Act allocated approximately \$4.7 billion of Proposition 98 General Fund to reduce outstanding deferrals to K-12 school districts. The Fiscal Year 2014-15 State Budget estimated that the outstanding deferrals as of June 30, 2015 will be approximately \$900 million. In addition, the Fiscal Year 2014-15 State Budget Act required the State to appropriate any additional funding resources attributable to Fiscal Year 2013-14 and Fiscal Year 2014-15 determined to be available after the enactment of the Fiscal Year 2014-15 State Budget Act to reduce outstanding deferrals.

4. The Fiscal Year 2014-15 State Budget Act included an increase to Proposition 98 General Fund by approximately \$400.5 million to reimburse LEAs for the costs of State-mandated programs. The Governor expects that these funds will provide school districts, county offices of education and charter schools with discretionary resources for expenditures such as implementation of the Common Core State Standards (the “Common Core”) promulgated by the State.

5. The Fiscal Year 2014-15 State Budget Act included an increase to the Proposition 98 General Fund by approximately \$26.7 million for funding the K-12 High Speed Network. The Governor expects that this allocation will be used for technical assistance and grants to LEAs to address technical requirements necessary for implementation of the Common Core.

6. The Fiscal Year 2014-15 State Budget Act included an increase of approximately \$250 million in the Proposition 98 General Fund for grants related to the Career Technical Education Pathways Program. Participating LEAs are eligible to receive grant awards to improve career technical programs and linkages between employers, schools and community colleges.

7. AB 1469, which was approved in conjunction with the Fiscal Year 2014-15 State Budget Act, implemented a new funding strategy for CalSTRS pursuant to which the employer and employee contribution rates will increase incrementally each year. In addition, the State Teachers Retirement Board was granted the authority to modify the percentages paid by employers and employees for Fiscal Year 2021-22 and each fiscal year thereafter in order to eliminate CalSTRS’ unfunded liability by June 30, 2046 based upon actuarial recommendations. See “District Financial and Operating Information – Retirement Systems – California State Teachers’ Retirement System” herein.

***Fiscal Year 2015-16 Proposed State Budget.*** On January 9, 2015, the Governor released the 2015-16 Proposed State Budget (the “Fiscal Year 2015-16 Proposed State Budget”), which projects Fiscal Year 2014-15 State General Fund revenues and transfers of \$108.0 billion, total expenditures of \$111.7 billion and a year-end surplus of \$1.4 billion (inclusive of the \$5.1 billion fund balance in the State’s General Fund from Fiscal Year 2013-14), of which \$971 million would be reserved for the liquidation of encumbrances and \$452 million would be deposited in a reserve for economic uncertainties. In addition, the Fiscal Year 2015-16 Proposed State Budget projects a deposit to the Budget Stabilization Account in the amount of \$1.6 billion during Fiscal Year 2014-15. The Fiscal Year 2015-16 Proposed State Budget projects Fiscal Year 2015-16 State General Fund revenues and transfers of \$114.8 billion,

total expenditures of \$113.3 billion and a year-end surplus of \$1.5 billion (inclusive of the projected \$1.4 billion State General Fund balance as of June 30, 2015 which would be available for Fiscal Year 2015-16), of which \$971 million would be reserved for the liquidation of encumbrances and \$534 million would be deposited in a reserve for economic uncertainties. In addition, the Fiscal Year 2015-16 Proposed State Budget projects a deposit to the Budget Stabilization Account in the amount of \$2.8 billion during Fiscal Year 2015-16. The Fiscal Year 2015-16 Proposed State Budget projects that the State's multi-year budget will be balanced for the foreseeable future, but cautions that the State continues to project significant existing liability, including deferred maintenance on roads and other infrastructure and the unfunded liability for future retiree health care benefits for state employees and various pension benefits which need to be addressed.

Features of the Fiscal Year 2015-16 Proposed State Budget affecting school districts in general included, but were not limited to, the following:

1. The Fiscal Year 2015-16 Proposed State Budget proposes to fully fund the Proposition 98 minimum guarantee in Fiscal Year 2015-16. If implemented, Proposition 98 funding would be approximately \$65.7 billion for Fiscal Year 2015-16 which reflects an increase of \$2.6 billion compared to the funding estimate for Fiscal Year 2014-15.

2. The Fiscal Year 2015-16 Proposed State Budget proposes to allocate approximately \$992 million to eliminate all deferrals to K-12 school districts and community college districts by June 30, 2016.

3. The Fiscal Year 2015-16 Proposed State Budget states that the Governor does not expect fiscal conditions during Fiscal Year 2015-16 to cause a deposit to the Public School Stabilization Account established pursuant to Proposition 2 (2014). Accordingly, the related limitations on school district reserves would not be triggered. See “ – Limitations on School District Reserves” herein.

4. The Fiscal Year 2015-16 Proposed State Budget proposes to allocate approximately \$4 billion to address the projected deficit in funding for implementation of the LCFF. The additional funding for the LCFF is expected to reduce the LCFF Gap Funding by more than 32% for Fiscal Year 2015-16.

5. The Fiscal Year 2015-16 Proposed State Budget proposes to allocate \$500 million of Proposition 98 General Fund for the Adult Education Block Grant. Pursuant to the Governor's proposal, an allocation board designated by community college districts and school districts will allocate funds from the block grant. During the initial year of funding, the Governor proposes that the State provide funding directly to K-12 school districts in the amount of the K-12 school districts' maintenance of effort for adult education.

6. The Fiscal Year 2015-16 Proposed State Budget proposes \$250 million in one-time Proposition 98 funding in Fiscal Years 2015-16, 2016-17 and 2018-19 to school districts, county offices of education and charter schools. to support a Career Technical Education Pathways Program. Pursuant to the Governor's proposal, LEAs that receive funding would be required to provide matching funds and demonstrate a long-term commitment to career technical education with plans to continue programs from other funding sources, including the LCFF, once grant funds expire.

7. The Fiscal Year 2015-16 Proposed State Budget proposes to allocate more than \$1.1 billion of discretionary funding from Proposition 98 on a one-time basis to LEAs for further implementation of the State's Common Core standards with respect to English-language arts and mathematics. The majority of the funding would be provided to school districts and charter schools on the

basis of ADA. Pursuant to the Governor's proposal, scheduled allocations will be offset by any applicable mandate reimbursement claims.

8. The Fiscal Year 2015-16 Proposed State Budget proposes \$100 million in one-time Proposition 98 funding to support investments in internet connectivity and infrastructure.

9. The Fiscal Year 2015-16 Proposed State Budget proposes to allocate energy efficiency funds from California Clean Energy Jobs Act of 2012. If enacted, the Governor proposes to allocate approximately \$320.1 million to K-12 school districts for energy efficiency projects, \$5.3 million to the California Conservation Corps for technical assistance to K-12 school districts, and \$3 million to the Workforce Investment Board for job-training programs.

10. The Fiscal Year 2015-16 Proposed State Budget states that the State expects to allocate approximately \$273.4 million in Proposition 98 General Fund resources in Fiscal Year 2014-15 to eliminate the State's remaining obligation to repair and rehabilitate facilities pursuant to the terms of the *Williams v. California* settlement agreement.

11. The Fiscal Year 2015-16 Proposed State Budget proposes to fund a 1.58% COLA for categorical programs that are outside of the LCFF including special education, child nutrition, foster youth, preschool, American Indian Education Centers, and the American Indian early childhood education program.

12. The Administration has proposed a new school facilities program which, if enacted in its proposed form, will increase tools for local control, by increasing the assessed valuation limits for specific bond measures and the total limits on local bonded indebtedness, restructuring the amount and process by which a school district levies developer fees against construction within its boundaries to fund school facilities, and expanding the permitted uses of routine restricted maintenance funds. In addition, the Administration proposes that the school facilities program target State funding for districts that demonstrate the greatest need by and increase support for the charter school facility grant program.

***LAO Analysis of the Fiscal Year 2015-16 Proposed State Budget.*** On January 13, 2015, the LAO released a report entitled "The 2015-16 Budget: Overview of the Governor's Budget" (the "2015 LAO Budget Overview"), which provides an analysis by the LAO of the Fiscal Year 2015-16 Proposed State Budget. The 2015-16 LAO Budget Overview is available on the LAO website at [www.lao.ca.gov](http://www.lao.ca.gov). Information on the website is not incorporated herein by reference. The 2015-16 LAO Budget Overview states that the Governor's budgeting philosophy is largely prudent and projects that the presence of few significant new program commitments outside of Proposition 98 may help the State avoid returning to the boom and bust budgeting used in prior years. Although a recession does not appear imminent, the LAO cautions that an economic downturn could cause budgetary deficits. Further, the LAO cautions that the array of complex budget formulas adopted into State law may complicate budget planning and could exacerbate the State's vulnerabilities in the event an economic downturn occurs.

Based on the LAO's estimates, the State's revenues for Fiscal Year 2014-15 may exceed the Governor's projections. However, the LAO cautions that revenue collections may be peaking. Accordingly, the State may be susceptible to weaker revenue growth in Fiscal Year 2015-16 compared to Fiscal Year 2014-15, and the State's budgets may have to address difficulties with respect to spending levels. The 2015 LAO Overview notes that the State has an opportunity to address its debts including, among other things, the State's non-retirement liabilities, deferred payments to schools, special fund loans, and prior-year Proposition 98 settle-up obligations. Further, the LAO recommends that the State's unfunded retirement liabilities and the development of a system to fund retiree health benefits should remain a high priority for the State Legislature. The 2015 LAO Budget Overview projects that the

Governor's proposals to address the State's retiree health liabilities, if implemented, may provide the State with budgeting flexibility in future years.

**Additional Information.** Information about the State budget and State spending for education is regularly available at various State-maintained websites. Text of the State budget may be found at the website of the Department of Finance, [www.dof.ca.gov](http://www.dof.ca.gov), under the heading "California Budget." Various analyses of the budget may be found at the website of the LAO at [www.lao.ca.gov](http://www.lao.ca.gov). In addition, various State official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on school districts in the State, may be found via the website of the State Treasurer, [www.treasurer.ca.gov](http://www.treasurer.ca.gov). The information presented in these websites is not incorporated by reference in this Official Statement.

**Future State Budgets.** The District cannot predict what actions will be taken in the future by the State Legislature and the Governor to address the State's current or future budget deficits and cash management practices. Future State budgets will be affected by national and State economic conditions, including the current economic downturn, over which the District has no control, and other factors over which the District will have no control. To the extent that the State budget process results in reduced revenues deferred revenues or increased expenses for the District, the District will be required to make adjustments to its budget and cash management practices. In the event current or future State Budgets decrease the District's revenues or increase required expenditures by the District from the levels assumed by the District, the District will be required to generate additional revenues, curtail programs or services, or use its reserve funds to ensure a balanced budget.

### **Limitations on School District Reserves**

On June 15, 2014, the State Legislature approved Senate Bill 858 ("SB 858"), an education omnibus bill. SB 858 was approved by the Governor on June 21, 2014. In connection with voter approval of Proposition 2 (2014) in November 2014 with respect to the State's Rainy Day Fund, SB 858 amended the Education Code to limit school district reserves. In addition to the conditions described herein, additional conditions must be satisfied before the reserve limitations are operative. Pursuant to Proposition 2 (2014), in any fiscal year following a year in which the State has made a transfer into the Public School System Stabilization Account and all other applicable conditions have been satisfied, the combined unassigned and assigned ending fund balance in any budget adopted or revised by a school district may not be (i) more than two times the amount of the minimum recommended reserve specified under the Education Code for school districts such as the District with an ADA of less than 400,000 or (ii) more than three times the amount of the minimum recommended reserve specified under the Education Code for school districts with an ADA of 400,000 or greater. Further, a county superintendent of schools may grant a school district a waiver from this limitation on reserves for up to two consecutive fiscal years within a three-year period if certain extraordinary fiscal circumstances exist.

The State-imposed minimum recommended reserve for the District, which is accounted for in the Reserve for Economic Uncertainties, is an amount equal to 4% of General Fund expenditures and other financing uses. For Fiscal Year 2013-14, the District had a \$19.6 million General Fund balance that was primarily designated for the following purposes: (i) 3% of the balance was allocated to an unassigned reserve within the unrestricted general fund for contingencies or possible reductions in State funding and is not to be used in the negotiation or settlement of contract salaries, (ii) 7.5% of the balance for basic aid and minimum reserve purposes, including the maintenance of certain short- and long-term bond ratings, and (iii) the remainder for revolving cash fund and inventory purposes.

The District cannot predict the extent to which the State will fund the Public School System Stabilization Account. In addition, the District cannot predict what steps it will implement, if any, to



adjust its budgeted reserves to comply with the amended Education Code. Further, the District cannot predict whether the limitations on reserves in the Education Code, as amended, will apply solely to fund balances in the District's General Fund or if it will apply to other funds of the District. However, the District does not expect the limitations on reserves in the Education Code, as amended, to adversely affect its ability to pay the principal of and interest on the Bonds described in the forepart of this Official Statement, which are payable from voter-approved *ad valorem* property taxes.

### **State Funding of Schools without a State Budget**

Although the State Constitution requires that the State Legislature adopt a budget for the State by June 15 of the prior fiscal year and that the Governor sign a budget by June 30, this deadline has been missed from time to time. Delays in the adoption of a Budget Act in any fiscal year could impact the receipt of State funding by the District. On May 29, 2002, the California Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State of California), et al. (also referred to as *White v. Davis*) ("*Connell*"). The California Court of Appeal concluded that, absent an emergency appropriation, the State Controller may authorize the payment of State funds during a budget impasse only when payment is either (i) authorized by a "continuing appropriation" enacted by the State Legislature, (ii) authorized by a self-executing provision of the State Constitution, or (iii) mandated by federal law. The Court of Appeal specifically concluded that the provisions of Article XVI, Section 8 of the State Constitution—the provision establishing minimum funding of K-14 education enacted as part of Proposition 98—did not constitute a self-executing authorization to disburse funds, stating that such provisions merely provide formulas for determining the minimum funding to be appropriated every budget year but do not appropriate funds. Nevertheless, the State Controller has concluded that the provisions of the State Education Code establishing K-12 and county office of education revenue limit funding do constitute continuing appropriations enacted by the State Legislature and, therefore, has indicated that State payments of such amounts would continue during a budget impasse. The State Controller, however, has concluded that K-12 categorical programs are not authorized pursuant to a continuing appropriation enacted by the State Legislature and, therefore, cannot be paid during a budget impasse. To the extent the *Connell* decision applies to State payments reflected in the District's budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of some payments to the District while such required legislative action is delayed, unless the payments are self-executing authorizations, continuing appropriations or are subject to a federal mandate. Because the Bonds are payable from voter-approved *ad valorem* property tax and not from state appropriations, any delays in payments from the State will not adversely affect payment of principal of and interest on the Bonds.

## **CALIFORNIA CONSTITUTIONAL AND STATUTORY PROVISIONS RELATING TO *AD VALOREM* PROPERTY TAXES, DISTRICT REVENUES AND APPROPRIATIONS**

### **Constitutionally Required Funding of Education**

The State Constitution requires that from all State revenues there shall first be set apart the moneys to be applied by the State for the support of the public school system and public institutions of higher education. California school districts receive a significant portion of their funding from State appropriations. As a result, decreases as well as increases in State revenues can significantly affect appropriations made by the State Legislature to school districts.

### **Article XIII A of the State Constitution**

On June 6, 1978, California voters approved Proposition 13 ("Proposition 13"), which added Article XIII A to the State Constitution ("Article XIII A"). The provisions of Article XIII A were

subsequently modified pursuant to Proposition 39, which was approved by California voters on November 7, 2000. See “ – Proposition 39” below. Article XIII A limits the amount of any *ad valorem* property tax to 1% of the full cash value thereof, except that additional *ad valorem* property taxes may be levied to pay debt service on (i) bonded indebtedness approved by the voters prior to July 1, 1978, (ii) bonded indebtedness approved by a two-thirds vote on or after July 1, 1978, for the acquisition or improvement of real property, and (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the school district or community college district, but only if certain accountability measures are included in the proposition. The Proposition AA Authorization was approved under Proposition 39. See “ – Proposition 39” herein and “Introduction – The District’s General Obligation Bond Program” in the forepart of this Official Statement.

Article XIII A defines full cash value to mean “the county assessor’s valuation of real property as shown on the 1975-76 tax bill under “full cash value,” or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment.” The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or a reduction in the consumer price index or comparable local data at a rate not to exceed 2% per year, or reduced in the event of declining property value caused by substantial damage, destruction or other factors including a general economic downturn. Subsequent amendments further limit the amount of any *ad valorem* tax on real property to 1% of the full cash value except that additional taxes may be levied to pay debt service on bonded indebtedness approved by the requisite percentage of voters voting on the proposition.

### **Legislation Implementing Article XIII A**

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any *ad valorem* property tax (except to pay voter-approved indebtedness). The 1% *ad valorem* property tax is automatically levied by the County and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1989.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the up to 2% annual inflationary adjustment of the 1% tax base are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years. Separate *ad valorem* property taxes to pay voter approved indebtedness such as general obligation bonds are levied by the County on behalf of the local agencies. Article XIII A effectively prohibits the levying of any other *ad valorem* property tax above the Proposition 13 limit except for taxes to support such indebtedness.

The full cash value of taxable property under Article XIII A represents the maximum taxable value for property. Accordingly, the fair market value for a given property may not be the equivalent of the full cash value under Article XIII A. During periods in which the real estate market within the District evidences an upward trend, the fair market value for a given property, which has not been reappraised due to a change in ownership, may exceed the full cash value of such property. During periods in which the real estate market demonstrates a downward trend, the fair market value of a given property may be less than the full cash value of such property and the property owner may apply for a “decline in value” reassessment pursuant to Proposition 8. Reassessments pursuant to Proposition 8, if approved by the Office of the County Assessor, lower valuations of properties (where no change in ownership has occurred) if the current value of such property is lower than the full cash value of record of the property. See “District Financial and Operating Information—Assessed Valuation of Property within the District”

herein. The value of a property reassessed as a result of a decline in value may change, but in no case may its full cash value exceed its fair market value. When and if the fair market value of a property which has received a downward reassessment pursuant to Proposition 8 increases above its Proposition 13 factored base year value, the Assessor/Recorder/County Clerk of the County (the “Assessor”) will enroll such property at its Proposition 13 factored base year value.

### **Article XIII B of the State Constitution**

An initiative to amend the State Constitution entitled “Limitation of Government Appropriations” was approved on September 6, 1979 thereby adding Article XIII B to the State Constitution (“Article XIII B”). In June 1990, Article XIII B was amended by the voters through their approval of Proposition 111. Under Article XIII B, the State and each local governmental entity have an annual “appropriations limit” and are not permitted to spend certain moneys that are called “appropriations subject to limitation” (consisting of tax revenues, State subventions and certain other funds) in an amount higher than the appropriations limit. Article XIII B does not affect the appropriations of moneys that are excluded from the definition of “appropriations subject to limitation,” including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the appropriations limit is to be based on certain 1978-79 expenditures, and is to be adjusted annually to reflect changes in costs of living and changes in population, and adjusted where applicable for transfer of financial responsibility of providing services to or from another unit of government. Among other provisions of Article XIII B, if these entities’ revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years. However, in the event that a school district’s revenues exceed its spending limit, the district may, in any fiscal year, increase its appropriations limit to equal its spending by borrowing appropriations limit from the State, provided the State has sufficient excess appropriations limit in such year. See “State Funding of Education—State Budget” herein.

The District’s annual appropriation limit for Fiscal Year 2013-14 was approximately \$85.0 million. The limitation applies only to proceeds of taxes and therefore does not apply to service fees and charges, investment earnings on non-proceeds of taxes, fines, and revenue from the sale of property and taxes received from the State and federal governments that are tied to special programs. For Fiscal Year 2014-15, the annual appropriations limit is estimated to be approximately \$88.1 million.

### **Article XIII C and Article XIII D of the State Constitution**

On November 5, 1996, the voters of the State approved Proposition 218, the so called “Right to Vote on Taxes Act.” Proposition 218 added Articles XIII C and XIII D to the State Constitution (“Article XIII C” and “Article XIII D”), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

Article XIII D addresses assessments and property related fees and charges. Article XIII D explicitly provides that nothing in Article XIII C or XIII D shall be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development; however, it is not clear whether the initiative power is therefore unavailable to repeal or reduce developer and mitigation fees.

### **Proposition 98**

On November 8, 1988, State voters approved Proposition 98, a combined initiative, constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act” (the



“Accountability Act”). The Accountability Act changed State funding of public education below the university level, and the operation of the State’s Appropriations Limit, primarily by guaranteeing State funding for K-12 school districts and community college districts (collectively, “K-14 districts”).

Under Proposition 98 (as modified by Proposition 111, which was enacted on June 5, 1990), K-14 districts are guaranteed the greater of (i) in general, a fixed percent of the State General Fund’s revenues (“Test 1”), (ii) the amount appropriated to K-14 districts in the prior year, adjusted for changes in the cost of living (measured as in Article XIII B by reference to State per capita personal income) and enrollment (“Test 2”), or (iii) a third test, which would replace Test 2 in any year when the percentage growth in per capita State General Fund revenues from the prior year plus 0.05% is less than the percentage growth in State per capita personal income (“Test 3”). Under Test 3, schools would receive the amount appropriated in the prior year adjusted for changes in enrollment and per capita State General Fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 would become a “credit” to schools which would be the basis of payments in future years when per capita State General Fund revenue growth exceeds per capita personal income growth. Legislation adopted prior to the end of Fiscal Year 1988-89 that implemented Proposition 98, determined the K-14 districts’ funding guarantee under Test 1 to be 40.3% of the State General Fund tax revenues, based on 1986-87 appropriations. However, that percentage has been adjusted to 34.559% to account for a subsequent redirection of local property taxes whereby a greater proportion of education funding now comes from local property taxes.

Proposition 98 permits the State Legislature, by a two-thirds vote of both houses of the State Legislature and with the Governor’s concurrence, to suspend the K-14 districts’ minimum funding formula for a one-year period. In the fall of 1989, the State Legislature and the Governor utilized this provision to avoid having 40.3% of revenues generated by a special supplemental sales tax enacted for earthquake relief go to K-14 districts. In the fall of 2004, the State Legislature and the Governor agreed to suspend the K-14 districts’ minimum funding formula set forth pursuant to Proposition 98 in order to address a projected shortfall during Fiscal Year 2004-05. Proposition 98 also contains provisions transferring certain State tax revenues in excess of the Article XIII B limit to K-14 districts.

The Fiscal Year 2014-15 State Budget projects Proposition 98 expenditures for Fiscal Year 2014-15 of approximately \$60.9 billion (inclusive of approximately \$16.4 billion of local property tax revenues and \$44.5 billion from the State’s General Fund), which reflects an increase of approximately \$2.6 billion compared to the projected Proposition 98 expenditures for Fiscal Year 2013-14. For further information concerning the impact of State Budgets on Proposition 98 funding, see “District Financial and Operating Information—State Budget” herein.

### **Proposition 39**

Proposition 39, which was approved by California voters in November 2000 (“Proposition 39”), provides an alternative method for passage of school facilities bond measures by lowering the constitutional voting requirement from two-thirds to 55% of voters and allows property taxes to exceed the current 1% limit in order to repay such bonds. The lower 55% vote requirement would apply only to bond issues to be used for construction, rehabilitation, or equipping of school facilities or the acquisition of real property for school facilities. The State Legislature enacted additional legislation which placed certain limitations on this lowered threshold, requiring that (i) two-thirds of the governing board of a school district approve placing a bond issue on the ballot, (ii) the bond proposal be included on the ballot of a Statewide or primary election, a regularly scheduled local election, or a Statewide special election (rather than a school district election held at any time during the year), (iii) the tax rate levied as a result of any single election not exceed \$25 for a community college district, \$60 for a unified school district, or \$30 for an elementary school or high school district per \$100,000 of taxable property value, and (iv) the

governing board of the school district appoint a citizen's oversight committee to inform the public concerning the spending of the bond proceeds. In addition, the school board of the applicable district is required to perform an annual, independent financial and performance audit until all bond funds have been spent to ensure that the funds have been used only for the projects listed in the measure. The District's Proposition AA Authorization was authorized pursuant to Proposition 39. See "District Financial and Operating Information – District Debt Structure – Long-Term Debt Summary" herein.

### **Proposition 1A**

Proposition 1A ("Proposition 1A"), proposed by the Legislature as a Senate Constitutional Amendment in connection with the 2004-05 Budget Act and approved by California voters in November 2004, provides that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A generally prohibits the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any fiscal year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the Legislature. Proposition 1A provided, however, that beginning in Fiscal Year 2008-09, the State could shift to schools and community colleges up to 8% of local government property tax revenues, which amount must be repaid, with interest, within three years, if the Governor proclaims that the shift is needed due to a severe state financial hardship, the shift is approved by two-thirds of both houses of the State Legislature and certain other conditions are met. The State may also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also provides that if the State reduces the VLF rate below 0.65 percent of vehicle value, the State must provide local governments with equal replacement revenues. Further, Proposition 1A requires the State, beginning July 1, 2005, to suspend State mandates affecting cities, counties and special districts, excepting mandates relating to employee rights, schools or community colleges, in any year that the State does not fully reimburse local governments for their costs to comply with such mandates. The State's ability to initiate future exchanges and shifts of funds will be limited by Proposition 22. See " – Proposition 22" below.

### **Proposition 22**

Proposition 22 ("Proposition 22"), which was approved by California voters in November 2010, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State General Fund or any other State fund. Due to the prohibition with respect to State's ability to take, reallocate, and borrow money raised by local governments for local purposes, Proposition 22 supersedes certain provisions of Proposition 1A of 2004. See " – Proposition 1A" herein. In addition, Proposition 22 generally eliminated the State's authority to temporarily shift property taxes from cities, counties, and special districts to schools, temporarily increased school and community college district's share of property tax revenues, prohibited the State from borrowing or redirecting redevelopment property tax revenues or requiring increased pass-through payments thereof, and prohibited the State from reallocating vehicle license fee revenues to pay for State-imposed mandates. In addition, Proposition 22 requires a two-thirds vote of each house of the State Legislature and a public hearing process to be conducted in order to change the amount of fuel excise tax revenues shared with cities and counties. The LAO stated that Proposition 22 would prohibit the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies. However, the California Supreme Court, in *California Redevelopment Association v. Matosantos*, held that the dissolution provisions set forth in ABx1 26 were constitutional and permitted the State to allocate revenues that would have been directed to the redevelopment agencies to make pass-through payments (*i.e.*, payments that such entities would have received under prior law) to

local agencies and to successor agencies for retirement of the debts and certain administrative costs of the redevelopment agencies. Proposition 22 prohibits the State from borrowing sales taxes or excise taxes on motor vehicle fuels or changing the allocations of those taxes among local government except pursuant to specified procedures involving public notices and hearings. In addition, Proposition 22 requires that the State apply the formula setting forth the allocation of State fuel tax revenues to local agencies revert to the formula in effect on June 30, 2009.

### **Proposition 1D**

The Kindergarten-University Public Education Facilities Bond Act of 2006 appeared on the November 7, 2006 ballot as Proposition 1D and was approved by State voters (“Proposition 1D”). This measure authorizes the sale and issuance of \$10.4 billion in general obligation bonds by the State for funding the construction and renovation of public K-12 school facilities (\$7.3 billion) and public higher education facilities (\$3.1 billion). Proposition 1D includes \$1.9 billion for the acquisition of land and construction of new school buildings. A school district is required to pay for 50% of costs with local resources unless it qualifies for state hardship funding. Proposition 1D also provides that up to \$500 million of these construction funds is available for charter school facilities. Under Proposition 1D, the District received an aggregate \$4,835,637 in career technical education facilities grants and new construction grants, which was applied towards the construction of a \$9.1 million performing arts complex at San Dieguito High School Academy.

Proposition 1D makes \$3.3 billion available for the reconstruction or modernization of existing public school facilities. Districts would be required to pay 40% of project costs from local resources. Proposition 1D directs a total of \$1.0 billion to school districts with schools that are considered critically overcrowded. These funds would go to schools that have a large number of pupils relative to the size of the school site. Proposition 1D also makes a total of \$29 million available to fund joint-use projects. Pursuant to Proposition 1D, the Governor and the State Legislature select specific projects to be funded by the bond proceeds.

The District applies for apportionments from State bond initiatives and historically has received funding from such State bond initiatives. No assurances can be given that the District will continue to apply for apportionments from current or future State bond initiatives or that the District will continue to receive funding from State bond initiatives for which it applies.

### **Proposition 30**

Proposition 30, which was approved voters in the State in November 2012 (“Proposition30”) authorizes the State to temporarily increase the maximum marginal personal income tax rates for individuals, heads of households and joint filers above 9.3 percent by creating three additional tax brackets of 10.3 percent, 11.3 percent and 12.3 percent. The tax increases set forth in Proposition 30 are in effect from tax year 2012 to tax year 2018. In addition, Proposition 30 temporarily increases the State’s sales and use tax rate by 0.25 percent from 2013 to 2016.

Pursuant to Proposition 30, the State will include revenues from the temporary tax increases in the General Fund calculation of the Proposition 98 minimum guarantee for education spending. The State will deposit a portion of the new General Fund revenues into an Education Protection Account be established to support funding for schools and community colleges. The remainder of the new General Fund revenues will be available to help the State balance its budget through Fiscal Year 2017-18. However, the allocation of such revenues to particular programs is subject to the discretion of the Governor and the State Legislature.

In addition, Proposition 30 amends the State Constitution to address certain provisions relating to the realignment of State program responsibilities to local governments. Proposition 30 requires the State to continue to provide tax revenues that were redirected in calendar year 2011 (or equivalent funds) to local governments to pay for transferred program responsibilities. Further, Proposition 30 permanently excludes sales tax revenues that are redirected to local governments from the calculation of the Proposition 98 minimum guarantee for schools and community colleges.

**REGIONAL ECONOMIC AND DEMOGRAPHIC INFORMATION**

*The District's boundaries include all portions of the Cities of Encinitas, Del Mar, and Solana Beach, portions of the Cities of Carlsbad and San Diego, and a portion of the unincorporated areas of the County. The following economic and demographic information pertains to the Cities of Encinitas, Del Mar and Solana Beach (collectively, the "Cities), the County and the State. Due to the nature of the District's jurisdiction, the economic and demographic information set forth below reflect only a portion of the population and economy within the District's boundaries. Information on the remainder of the District (i.e., the unincorporated areas) is not available from the sources listed below. The Bonds are general obligations of the District; they are not general obligations of the Cities, the County or the State.*

**Population**

The following Table A-11 sets forth the estimates of the population of the Cities, the County and the State in calendar years 2010 through 2014.

**TABLE A-11  
POPULATION ESTIMATES  
2010 through 2014**

<b><u>Year</u></b> <b><u>(as of January 1)</u></b>	<b><u>The Cities</u></b>	<b><u>County of</u></b> <b><u>San Diego</u></b>	<b><u>State of</u></b> <b><u>California</u></b>
2010	76,546	3,095,313	37,223,900
2011	76,937	3,115,810	37,427,946
2012	77,169	3,128,749	37,668,804
2013	77,779	3,154,574	37,984,138
2014	78,537	3,194,362	38,340,074

Source: State of California Department of Finance Demographic Research Unit.

**Income**

The following Table A-12 summarizes the median household income for the Cities, County, the State and the United States for calendar years 2009 through 2013.

**TABLE A-12  
Median Household Income<sup>(1)</sup>  
2009 through 2013**

<b><u>Year</u></b>	<b><u>The Cities<sup>(2)</sup></u></b>	<b><u>County of</u></b> <b><u>San Diego</u></b>	<b><u>State of</u></b> <b><u>California</u></b>	<b><u>United States</u></b>
2009	\$100,720	\$62,901	\$60,392	\$51,425
2010	95,440	63,069	60,883	51,914
2011	96,102	63,857	61,632	52,762
2012	92,980	63,373	61,400	53,046
2013	95,234	62,962	61,094	53,046

<sup>(1)</sup> Estimated. In inflation-adjusted dollars for the referenced year.

<sup>(2)</sup> Reflects average of the median household income for the Cities.

Source: U.S. Census Bureau – Economic Characteristics – American Community Survey.

Set forth in Table A-13 below is the distribution of income by certain income groupings per household for the Cities, the County, the State and the United States for calendar year 2013.

**TABLE A-13**  
**Income Groupings 2013<sup>(1)</sup>**  
**(Percent of Households)**

<u>Income Per Household</u>	<u>The Cities<sup>(2)</sup></u>	<u>County of San Diego</u>	<u>State of California</u>	<u>United States</u>
\$24,999 & Under	12.4%	18.9%	20.5%	23.4%
\$25,000-49,999	13.1	21.4	21.4	23.9
\$50,000 & Over	74.5	59.7	58.2	52.6

<sup>(1)</sup> Estimated. In 2013 inflation-adjusted dollars.

<sup>(2)</sup> Reflects average percentage of the Cities.

Source: U.S. Census Bureau – Economic Characteristics – American Community Survey.

**Employment**

The District is within the San Diego County Primary Metropolitan Statistical Area Labor Market (San Diego County). Table A-14 below summarizes wage and salary employment in the County from calendar years 2010 through 2014.

**TABLE A-14**  
**Labor Force and Employment in San Diego County<sup>(1)</sup>**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Civilian Labor Force <sup>(2)</sup>	1,567,900	1,577,200	1,594,900	1,590,000	1,600,400
Employment	1,401,900	1,418,200	1,452,500	1,470,000	1,501,000
Unemployment	166,000	159,000	142,400	120,000	99,400
Unemployment Rate	10.6%	10.1%	8.9%	7.5%	6.2%
Wage and Salary Employment <sup>(3)</sup>					
Farm	10,500	9,800	9,800	9,800	9,000
Mining and Logging	400	400	400	400	400
Construction	55,300	55,200	56,900	61,200	66,500
Manufacturing	92,900	93,100	94,300	94,600	98,500
Trade, Transportation and Utilities	197,300	200,800	207,700	212,300	228,200
Information	25,100	24,200	24,500	24,100	24,700
Financial Activities	67,200	67,500	70,100	71,400	71,400
Professional and Business Services	207,700	209,800	216,200	222,600	238,400
Educational and Health Services	159,500	162,800	170,400	179,300	188,400
Leisure and Hospitality	154,500	155,600	161,700	167,500	173,100
Other Services	46,100	47,600	49,100	49,200	51,000
Government	<u>230,400</u>	<u>229,000</u>	<u>227,800</u>	<u>229,500</u>	<u>235,500</u>
Total <sup>(1)</sup>	<u>1,246,900</u>	<u>1,255,800</u>	<u>1,288,900</u>	<u>1,321,900</u>	<u>1,385,100</u>

<sup>(1)</sup> Totals may not equal sum of component parts due to rounding. All information updated per 2013 Benchmark.

<sup>(2)</sup> Based on place of residence.

<sup>(3)</sup> The State Employment Development Department has reported a seasonally adjusted unemployment rate within the County of 6.2% for December 2014.

Source: State Employment Development Department, Labor Market Information Division.

Table A-15 below sets forth taxable sales in the County for the calendar years 2009 through 2013.

**TABLE A-15**  
**County of San Diego**  
**Taxable Transactions<sup>(1)</sup>**  
**Calendar Years 2009 through 2013<sup>(2)</sup>**  
**(\$ in thousands)**

<b>Type of Business</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013<sup>(2)</sup></b>
Motor Vehicle and Parts Dealers	\$ 4,196,256	\$ 4,486,375	\$ 5,059,516	\$ 5,851,723	\$ 1,650,327
Furniture and Home Furnishings Stores	826,551	835,433	894,741	962,420	263,488
Electronics and Appliance Stores	1,200,897	1,266,563	1,315,328	1,261,183	303,154
Building Materials and Garden Equipment and Supplies	1,841,740	1,945,310	2,072,358	2,204,608	607,786
Food and Beverage Stores	1,934,812	1,943,969	2,010,404	2,087,821	546,958
Health and Personal Care Stores	732,221	789,760	869,965	876,663	224,202
Gasoline Stations	3,153,090	3,663,149	4,437,173	4,595,421	1,154,370
Clothing and Clothing Accessories Stores	2,560,683	2,769,897	2,988,756	3,208,810	835,832
Sporting Goods, Hobby, Book & Music Stores	989,236	995,179	1,009,226	1,003,947	260,933
General Merchandise Stores	4,254,037	4,381,526	4,528,053	4,695,436	1,124,182
Miscellaneous Store Retailers	1,405,774	1,384,312	1,433,298	1,473,767	378,761
Nonstore Retailers	148,931	140,437	152,055	265,508	128,458
Food Services and Drinking Places	<u>4,717,292</u>	<u>4,873,578</u>	<u>5,214,419</u>	<u>5,665,929</u>	<u>1,579,925</u>
Total Retail and Food Services	<u>\$27,958,518</u>	<u>\$29,475,489</u>	<u>\$31,985,292</u>	<u>\$34,153,236</u>	<u>\$ 9,058,378</u>
All Other Outlets	<u>\$11,770,139</u>	<u>\$12,148,147</u>	<u>\$13,105,090</u>	<u>\$13,793,799</u>	<u>\$ 3,709,814</u>
<b>TOTAL ALL OUTLETS</b>	<u><b>\$39,728,657</b></u>	<u><b>\$41,623,636</b></u>	<u><b>\$45,090,382</b></u>	<u><b>\$47,947,035</b></u>	<u><b>\$12,768,192</b></u>

<sup>(1)</sup> Totals may not equal sum of component parts due to rounding.

<sup>(2)</sup> Data for 2013 reflect taxable transactions through September 30, 2013.

Source: California State Board of Equalization, Taxable Sales in California.



## Major Employers

The economic bases of the County are diverse with no one sector being dominant. Some of the leading activities include government (including education), business/professional management services (including engineering), health services (including training and research), tourism, distribution, and entertainment. The major employers in the County are set forth below in Table A-16.

**TABLE A-16**  
**County of San Diego**  
**Major Employers<sup>(1)</sup>**

<u>Employer</u>	<u>Product/Service</u>	<u>Employees</u>
State of California	Government	40,800
University of California, San Diego	Education	27,832
Sharp HealthCare	Health care	15,960
County of San Diego	Government	15,667
Scripps Health	Health care	14,381
Qualcomm Inc.	Telecommunications	13,400
City of San Diego	Government	10,306
Kaiser Permanente	Non-profit health plan	7,800
General Atomics (and affiliated companies)	Defense contractor	7,668
University of California, San Diego Health System	Education	6,132
San Diego State University	Education	5,820
Sempra Energy	Infrastructure	5,232
YMCA of San Diego County	Non-profit health plan	4,848
Palomar Health	Medical center	4,551
SeaWorld San Diego	Entertainment	4,500
Solar Turbines Inc.	Power generation	4,310
San Diego Community College District	Education	4,246
Rady Children's Hospital-San Diego	Health care	3,947
Northrop Grumman Corp.	Transportation	9,011
University of San Diego	Private university	3,283

<sup>(1)</sup> The information on this list was provided by representatives of the employers themselves. Companies are ranked by the current number of full-time employees in San Diego County. Several additional companies may have qualified for this list, but failed to submit information or do not break out local employment data.

Source: San Diego Business Journal 2014, Book of Lists 2014.

**Construction**

The following Table A-17 sets forth the valuation of permits for new residential buildings and the number of new single-family and multi-family dwelling units in the Cities of Encinitas, Del Mar and Solana Beach for the years 2010 through 2014.

**TABLE A-17**  
**Cities of Encinitas, Del Mar and Solana Beach**  
**Permit Valuations and Units of Construction**  
**2010 to 2014**  
**(\$ in thousands)**

<b><u>Year</u></b>	<b><u>New Residential Valuation</u></b>	<b><u>New Single Family Dwelling Units</u></b>	<b><u>New Multi-Family Dwelling Units</u></b>	<b><u>Total New Units</u></b>
2010	\$ 79,426	44	62	106
2011	99,055	66	232	298
2012	6,401,157	23	2	25
2013	43,836,241	148	146	294
2014	46,569,407	25	298	323

Source: California Homebuilding Foundation - Construction Industry Research Board

**APPENDIX B**

**FINANCIAL STATEMENTS OF THE DISTRICT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**APPENDIX C**

**PROPOSED FORM OF APPROVING OPINION OF BOND COUNSEL**

[To come.]

**APPENDIX D****FORM OF CONTINUING DISCLOSURE CERTIFICATE****San Dieguito Union High School District  
2015 General Obligation Bonds (Election of 2012)  
Series B-1 (Taxable) and Series B-2 (Tax-Exempt)**

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the San Dieguito Union High School District (the “District”) in connection with the issuance of the San Dieguito Union High School District 2015 General Obligation Bonds (Election of 2012), Series B-1 (Taxable) and the San Dieguito Union High School District 2015 General Obligation Bonds (Election of 2012), Series B-2 (Tax-Exempt) (collectively, the “Bonds”). The Bonds are being issued as authorized by a resolution adopted by the Board of Trustees of the District on March 17, 2015, and in accordance with the terms of a Paying Agent Agreement, dated as of April 1, 2015 (the “Paying Agent Agreement”), by and between the District and the County of San Diego (the “County”), as paying agent (the “Paying Agent”). The District covenants and agrees as follows:

**SECTION 1. Purpose of the Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

**SECTION 2. Definitions.** In addition to the definitions set forth in the Paying Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean the District, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“Holder” shall mean the person in whose name any Bond shall be registered.

“Listed Events” shall mean any of the events listed in Section 5(a) or (b) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB currently located at <http://emma.msrb.org>.

“Participating Underwriters” shall mean J.P. Morgan Securities LLC and Stifel Nicolaus & Company, Inc., or the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

**SECTION 3. Provision of Annual Reports.**

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District’s fiscal year (presently June 30), commencing with the Annual Report for the fiscal year of the District ending June 30, 2015 (which is due no later than March 31, 2016), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Each Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. Neither the Trustee nor the Dissemination Agent shall have any duties or responsibilities with respect to the contents of the Annual Report. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the District shall provide the Annual Report to the Dissemination Agent and the Paying Agent (if the Paying Agent is not the Dissemination Agent). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the District and the Paying Agent to determine if the District is in compliance with the first sentence of this subsection (b).

(c) If the Paying Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Paying Agent shall send a notice, in electronic format, to the MSRB, such notice to be in substantially the form attached as Exhibit A.

(d) If the Annual Report is delivered to the Dissemination Agent for filing, the Dissemination Agent shall file a report with the District and (if the Dissemination Agent is not the Paying Agent) the Paying Agent certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and stating the date it was provided.

**SECTION 4. Content of Annual Reports.** The District’s Annual Report shall contain or include by reference the following:

- \* Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the District’s audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available.

To the extent not included in the audited financial statement of the District, the Annual Report shall also include the following:

- \* Adopted budget of the District for the current fiscal year, or a summary thereof, and any interim budget reports approved as of the date of filing of the Annual Report.
- \* District average daily attendance.
- \* District outstanding debt.
- \* Information regarding total assessed valuation of taxable properties within the District, if and to the extent provided to the District by the County.
- \* Information regarding total secured tax charges and delinquencies on taxable properties within the District, if and to the extent provided to the District by the County.

Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB website. If the document included by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each such other document so included by reference.

#### SECTION 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
6. Tender offers;
7. Defeasances;
8. Rating changes; or
9. Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or

in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), other notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other events affecting the tax status of the Bonds;
2. Modifications to rights of Bond holders;
3. Optional, unscheduled or contingent Bond calls;
4. Release, substitution, or sale of property securing repayment of the Bonds;
5. Non-payment related defaults;
6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or
7. Appointment of a successor or additional trustee or the change of name of a trustee.

(c) The District shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3, as provided in Section 3(b).

(d) Whenever the District obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the District shall determine if such event would be material under applicable federal securities laws.

(e) If the District learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the District shall within ten business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

**SECTION 6. Termination of Reporting Obligation.** The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all



of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the District.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- (a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;
- (b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(e), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate; provided that any such action may be instituted only in Superior Court of the State of California in and for the County of San Diego or in U.S. District Court in or nearest to the County. The sole remedy under this Disclosure Certificate in

the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: April \_\_, 2015

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

By \_\_\_\_\_  
Associate Superintendent,  
Business Services

**CONTINUING DISCLOSURE EXHIBIT A**

**FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD  
OF FAILURE TO FILE ANNUAL REPORT**

Name of District: SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

Name of Bond Issue: SAN DIEGUITO UNION HIGH SCHOOL DISTRICT  
2015 GENERAL OBLIGATION BONDS (ELECTION OF 2012),  
SERIES B-1 (TAXABLE) AND SERIES B-2 (TAX-EXEMPT)

Date of Issuance: April \_\_, 2015

**NOTICE IS HEREBY GIVEN** that the District has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Certificate of the District, dated the Date of Issuance. [The District anticipates that the Annual Report will be filed by \_\_\_\_\_.]

Dated: \_\_\_\_\_

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

By \_\_\_\_\_  
Authorized Signatory

## APPENDIX E

### SAN DIEGO COUNTY TREASURY POOL

#### General

The following information concerning the Treasury Pool of San Diego County (the “Treasury Pool”) has been obtained from the Office of the Treasurer-Tax Collector (the “Treasurer”) of the County of San Diego (the “County”). No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date. Additional information may be obtained directly from the County Treasurer-Tax Collector, San Diego County Administration Center, 1600 Pacific Highway, Room 162, San Diego, CA 92101. Such information is not incorporated by this reference.

The County is required to invest funds in accordance with California Government Code Sections 53635 *et seq.* In addition, counties are required to establish their own investment policies which may impose limitations beyond those required by the Government Code. All investments in the Treasurer’s investment portfolio conform to the statutory requirements of Government Code Section 53635 *et seq.*, authorities delegated by the County Board of Supervisors and the Treasurer’s investment policy. Pursuant to a resolution adopted July 8, 1958, the Board of Supervisors delegated to the County Treasurer the authority to invest and reinvest funds of the County. Applicable law limits this delegation of authority to a one-year period and must be renewed annually by action of the Board of Supervisors. In addition to funds of the County (and the various departments in the County, such as Public Works and Public Administration), funds of certain local agencies within the County, including school districts in the County, are required under state law to be deposited into County treasury (“Involuntary Depositors”). In addition, certain agencies, including community college districts, invest certain of their funds in the County treasury on a voluntary basis (“Voluntary Depositors” and together with the Involuntary Depositors, the “Depositors”). Deposits made by the County and the various local agencies are commingled in a pooled investment fund referred to herein as the Treasury Pool. No particular deposits are segregated for separate investment.

Under State law, Depositors in the Pool are permitted to withdraw funds which they have deposited on 30 days notice. The County does not expect that the Pool will encounter liquidity shortfalls based on its current portfolio and investment guidelines or realize any losses that may be required to be allocated among all Depositors in the Pool.

The County has established an Oversight Committee pursuant to State law. The 11 members of the Oversight Committee include the County Treasurer, the Auditor and Controller, members of the public, and a representative from a special district and a school district. The role of the Oversight Committee is to review and monitor the Investment Policy that is prepared by the Treasurer.

#### Treasury Pool’s Portfolio

As of January 31, 2015, the securities in the Treasury Pool had a market value of \$7,298,738,606 and a book value of \$7,288,655,188 for a net unrealized gain of \$10,083,418.

The effective duration for the Treasury Pool was 0.75 years as of January 31, 2015. The duration is a measure of the price volatility of the portfolio and reflects an estimate of the projected increase or decrease in the value of the portfolio based upon a decrease or increase in interest rates. Duration of 0.75

means that for every one percent increase in interest rates the market value of the portfolio would decrease by 0.75%.

As of January 31, 2015, approximately 9.20% of the total funds in the Pool were deposited by Voluntary Depositors, such as cities and fire districts, 9.73% by community colleges, 37.37% by the County, 2.70% by the Non-County and 41.00% by K-12 school districts.

Standard & Poor's Rating Group maintains ratings of "AAA" (extremely strong protection against losses and credit defaults) and "S-1" (low sensitivity to changing market conditions) on the Pool. The ratings reflect only the view of the rating agency and any explanation of the significance of such ratings may be obtained from such rating agency as follows: Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, 55 Water Street, New York, New York 10041.

## **Investments of the Treasury Pool**

### ***Authorized Investments***

Investments of the Pool are placed in those securities authorized by various sections of the California Government Code, which include obligations of the United States Treasury, Agencies of the United States Government, local and State bond issues, bankers acceptances, commercial paper of prime quality, certificates of deposit (both collateralized and negotiable), repurchase and reverse repurchase agreements, medium term corporate notes, shares of beneficial interest in diversified management companies (mutual funds), and asset backed (including mortgage related) and pass-through securities. Generally, investments in repurchase agreements cannot exceed a term of one year and the security underlying the agreement shall be valued at 102% or greater of the funds borrowed against the security and the value of the repurchase agreement shall be adjusted no less than quarterly. In addition, reverse repurchase agreement generally may not exceed 20% of the base value of the portfolio and the term of the agreement may not exceed 92 days. Securities lending transactions are considered reverse repurchase agreements for purposes of this limitation. Base Value is defined as the total cash balance excluding any amounts borrowed (*i.e.*, amounts obtained through selling securities by way of reverse repurchase agreements or other similar borrowing methods).

Legislation which would modify the currently authorized investments and place restrictions on the ability of municipalities to invest in various securities is considered from time to time by the California State Legislature. Monies in the Pool will be invested in compliance with California Government Code and the County's Investment Policy (the "Investment Policy").

### ***The Investment Policy***

The Investment Policy currently states the primary goals of the Treasurer when investing public funds to be as follows: the primary objective is to safeguard the principal of the funds under the Treasurer's control, the secondary objective is to meet the liquidity needs of the Pool Participants, and the third objective is to achieve an investment return on the funds under the control of the Treasurer within the parameters of prudent risk management. The Investment Policy contains a goal that 50% of the Pool should be invested in securities maturing in one year or less, with the remainder of the portfolio being invested in debt securities with maturities spread over more than one year to five years. Furthermore, at least 25% of the securities must mature within 90 days. The maximum effective duration for the Pool shall be 1.50 years.

With respect to reverse repurchase agreements, the Investment Policy provides for a maximum maturity of 92 days (unless the reverse repurchase agreement includes a written guarantee of a minimum

earning or spread for the entire period of such agreement) and a limitation on the total amount of reverse repurchase agreements and/or securities lending agreements to 20% of the total investments in the Pool. The Investment Policy states that the purpose of reverse repurchase agreements shall be to invest the proceeds from the agreement into permissible securities that have the highest short-term credit ratings; to supplement the yield on securities owned by the Pool; or to provide funds for the immediate payment of an obligation. The maturity of the reverse repurchase agreement and the maturity of the security purchased shall be the same.

The County from time to time has engaged in securities lending transactions. Generally, these transactions involve the transfer by the governmental entity, through an agent, of securities to certain broker-dealers and financial institutions or other entities in exchange for collateral, and this collateral may be cash or securities. Most commonly, these transactions provide for the simultaneous return of the collateral to the securities borrower upon receipt of the same securities at a later date. Presently, the County has suspended its securities lending transactions program, but may decide to enter into a securities lending agreement in the future. Any such securities lending transactions are considered reverse repurchase agreements under the Investment Policy and, accordingly, the total principal amount of reverse repurchase agreements and securities lending agreements may not exceed 20% of the Pool. Since the inception of the County's securities lending program in 1987, there has not been any loss of principal to the Pool resulting from these securities lending transactions or the investment of the related collateral.

The Investment Policy also authorizes investments in covered call options and put options, which are options that the Treasurer sells to a third party the right to buy an existing security in the Pool or sell a security to the Pool, both at a specific price within a specific time period. Under the Investment Policy, securities subject to covered calls are not to be used for reverse repurchase agreements; cash sufficient to pay for outstanding puts are to be invested in securities maturing on or before the expiration date of the option; the maximum maturity of a covered call option/put option is to be 90 days and not more than 10% of the total investments in the Pool could have options written against them at any given time.

All investments in the Treasurer's investment portfolio conform to the statutory requirements of Government Code Section 53635 *et seq.*, authorities delegated by the Board of Supervisors and the Treasurer's investment policy.

### **Certain Information Relating to Pool**

Table 21 below reflects information with respect to the Pool as of the close of business January 31, 2015. As described above, a wide range of investments is authorized by state law. Investments mature and trading activity is constant. Therefore, there can be no assurances that the investments in the Pool will not vary significantly from the investments described below. In addition, the value of the various investments in the Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Therefore, there can be no assurance that the values of the various investments in the Pool will not vary significantly from the values described below. In addition, the values specified in the following table were based upon estimates of market values provided to the County by a third party. Accordingly, there can be no assurance that if these securities had been sold on January 31, 2015, the Pool necessarily would have received the values specified.

**TREASURER-TAX COLLECTOR**  
**SAN DIEGO COUNTY PORTFOLIO STATISTICS<sup>(1)</sup>**  
**(As of January 31, 2015)**

	<u>Percent of Portfolio</u>	<u>Weighted Average Maturity</u>	<u>Weighted Average Coupon</u>	<u>Yield to Maturity<sup>(2)</sup></u>	<u>Current Par/Share</u>	<u>Book Value</u>	<u>Market Price</u>	<u>Market Value</u>	<u>Accrued Interest</u>	<u>Yield to Worst<sup>(3)</sup></u>	<u>Unrealized Gain/Loss</u>	
Certificates of Deposit	0.95%	148	148	0.24%	\$ 69,363,000	\$ 69,363,000	1.000	\$ 69,363,000	\$ 2,622	0.24%	\$ 0	
Commercial Paper	26.85	73	73	0.22	1,958,000,000	1,957,014,108	0.999	1,955,220,178	0	0.22	(1,793,930)	
Fannie Mae	12.20	955	797	0.99	889,613,000	888,807,986	1.002	891,692,159	2,226,667	0.99	2,884,173	
Federal Farm Credit Bank Notes	1.30	1,202	125	1.42	95,000,000	95,000,000	1.002	95,216,500	204,522	1.42	216,500	
Federal Home Loan Bank Notes	10.97	685	366	0.86	798,105,000	799,428,761	1.005	801,764,220	1,586,240	0.81	2,335,459	
Federal Home Loan Mortgage Corp Notes	6.84	942	518	0.97	496,000,000	498,734,084	1.010	500,894,800	1,282,451	0.89	2,160,716	
Money Market Funds	4.66	1	1	0.10	339,630,000	339,630,000	1.000	339,770,140	18,325	0.10	140,140	
Negotiable CD	30.18	98	98	0.22	2,200,000,000	2,200,005,738	1.000	2,200,005,810	1,591,462	0.22	72	
Repurchase Agreements	0.08	1		0.02	5,831,949	5,831,949	1.000	5,831,949	6	0.02	0	
U.S. Treasury Notes	5.97	942	942	1.04	432,000,000	434,839,562	1.016	438,979,850	1,351,443	1.04	4,140,288	
Totals for January 2015	100.00%	366	276	0.50%	\$7,283,542,949	\$7,288,655,188	1.002	\$7,298,738,606	\$8,263,738	0.49%	\$10,083,418	
Totals for December 2014	100.00%	355	263	0.45%	\$7,922,203,511	\$7,926,475,283	1.000	\$7,922,309,212	\$7,113,698	0.44%	\$(4,166,071)	
Change From Prior Month		23	13	0.05	\$(638,660,562)	\$(637,820,095)	0.002	\$(623,570,606)	\$1,150,040	0.05	\$14,249,489	
Portfolio Effective Duration		0.75 years										

	<u>January Return</u>	<u>Annualized</u>	<u>Fiscal Year to Date Return</u>	<u>Annualized</u>	<u>Calendar Year to Date Return</u>	<u>Annualized</u>
Book Value	0.041%	0.481%	0.275%	0.467%	0.041%	0.481%
Market Value	0.041%	0.480%	0.275%	0.468%	0.457%	0.457%

Source: The County.

- <sup>(1)</sup> Yield to maturity (YTM) is the estimated rate of return on a bond given its purchase price, assuming all coupon payments are made on a timely basis and reinvested at this same rate of return to the maturity date.
- <sup>(2)</sup> Yield to call (YTC) is the estimated rate of return on a bond given its purchase price, assuming all coupon payments are made on a timely basis and reinvested at this same rate of return to the call date.
- <sup>(3)</sup> Yield to worst (YTW) is the lesser of yield to maturity or yield to call, reflecting the optionality of the bond issuer.
- <sup>(4)</sup> Yields for the portfolio are aggregated based on the book value of each security.



**APPENDIX F****BOOK-ENTRY ONLY SYSTEM**

*The information in this APPENDIX F has been provided by DTC for use in securities offering documents, and the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the beneficial owners either (a) payments of interest, principal or premium, if any, with respect to the Bonds or (b) certificates representing ownership interest in or other confirmation of ownership interest in the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC. As used in this appendix, "Securities" means the Bonds, "Issuer" means the District, and "Agent" means the Paying Agent.*

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each series and maturity of the Securities, each in the principal amount of such series and maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any series and maturity exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such series and maturity.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their



purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** March 13, 2015

**BOARD MEETING DATE:** March 19, 2015

**PREPARED BY:** Dr. Michael Grove, Associate Superintendent of Educational Services

**SUBMITTED BY:** Rick Schmitt, Superintendent

**SUBJECT:** AB 86, MiraCosta College/SDUHSD Regional Consortia Adult Education Update

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### EXECUTIVE SUMMARY

The 2013/14 state budget appropriated \$25 million to the California Community College Chancellor's Office (CCCCO) to allocate funding for two-year planning and implementation grants. The funds were provided to eligible consortia for the purpose of developing regional plans for adult education. Assembly Bill 86 (AB 86) outlines expectations for consortium development, as well as planning and implementation requirements to establish the Adult Education Consortium Program. The intent of AB 86 is to expand and improve the provision of adult education, via these consortia, with incremental investments starting with the 2015/16 fiscal year. Eligibility is limited to consortiums consisting of at least one community college district and at least one school district within the boundaries of the community college district.

### RECOMMENDATION:

This item is being submitted for information only.



# AB 86: A Regional Approach to Adult Education Planning

Coastal North County Adult Education Consortium (CNCAEC)

March 19, 2015

# An Update on AB 86



## **What is AB 86**

An introduction to AB 86 and the Coastal North County Adult Education Consortium (CNCAEC)

## **What information have we gathered & learned from our regional AB 86 Process**

A description of the work that has been done over the last year and what we have learned from it.

## **What are the next steps & considerations moving forward**

A discussion of the next steps and considerations for moving forward.

# Part 1

# An Introduction to AB 86 & CNCAEC

Coastal North County Adult Education Consortium



# AB 86



AB 86 is a California grant meant to fund regional Adult Education (AE) consortia across the state to create and implement a plan to better serve adults in the region;

1. Elementary & secondary basic skills
2. Classes & courses for immigrants
3. Education programs for adults with disabilities
4. Short-term Career Technical Education (CTE)
5. Programs for apprentices

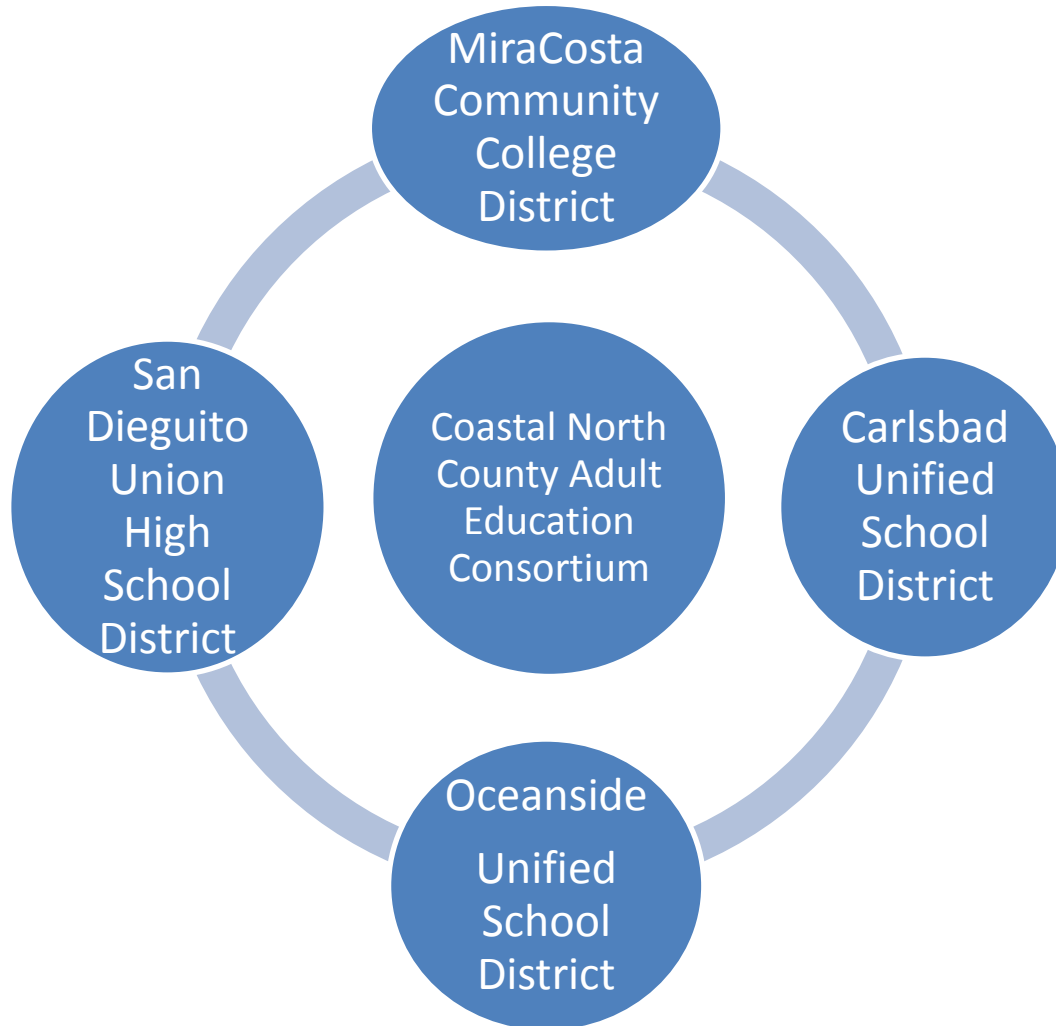
# AB 86 Planning Grant



1. Evaluate **current** Adult Ed **programs & services**
2. Evaluate **current needs** for Adult Ed
3. **Integrate existing programs** and **create transitions** into education or the workforce
4. Address the **gaps** identified
5. **Accelerate** student progress
6. Collaborate on **professional development** for faculty & staff
7. **Leverage** existing regional structures



# Coastal North County Adult Education Consortium



# Part 2

What has been done  
in our region for  
AB 86

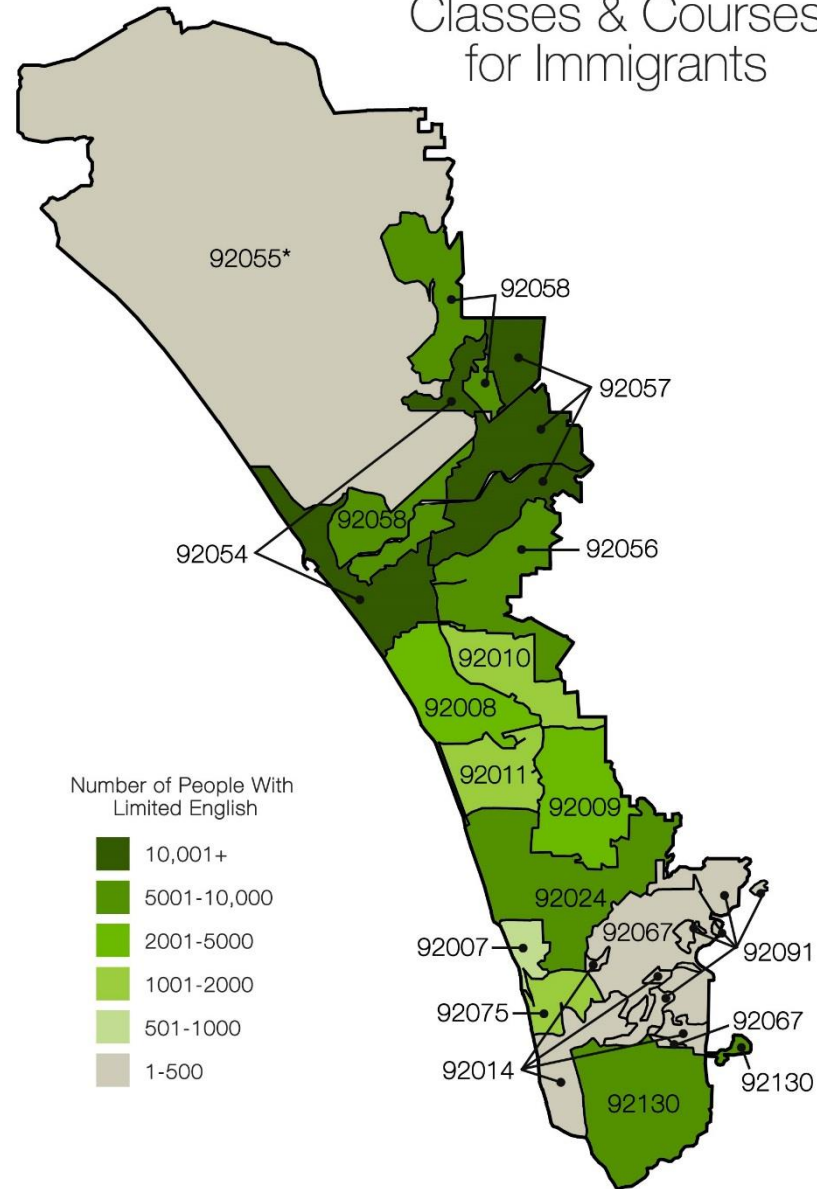
# AB 86 Process and Sources of Input

Over the last year, the CNCAEC AB 86 teams have focused on the following:

- **Demographic analysis**: All potential Adult Ed students in relation to current Adult Ed facilities and/or programs within the consortium.
- **External input**: A survey of local employers (n=213) identified the areas where Adult Ed could be enhanced to directly support local industries, employers and employees.
- **Internal input**: Four workgroups, with input from Adult Ed faculty, staff and administrators and regional partners,

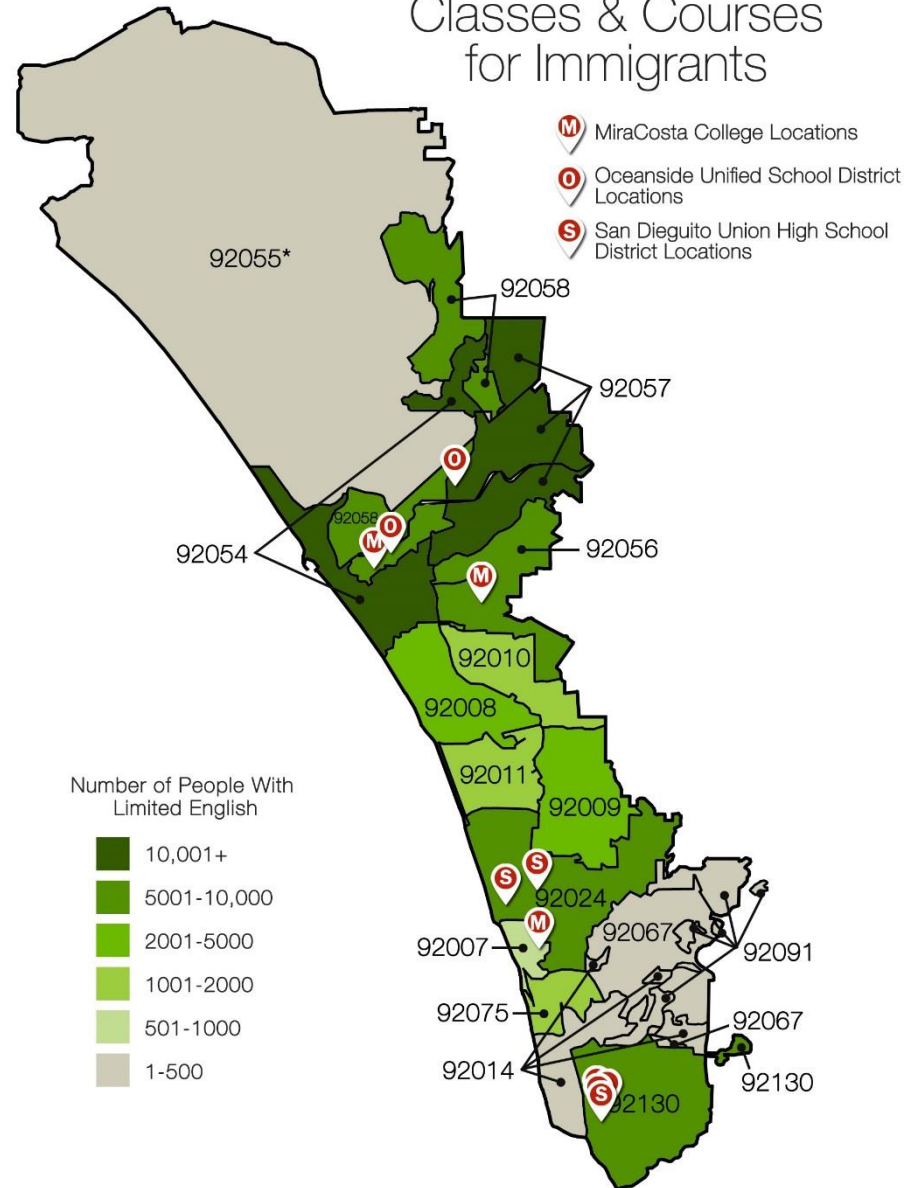
ITEM 21

# Classes & Courses for Immigrants



ITEM 21

# Classes & Courses for Immigrants



# External Input

## Employer Survey Results:

- Almost half (48%) of employers are having difficulty finding qualified job-applicants
- Ability to use technology, speak & communicate and writing skills all foundational
- Hiring needs and difficulties of employers depend on size of employers and industry

# Internal Input

Some of the principal goals of the final AB86 planning report include strategies to:

- **Develop** consistent outreach & recruitment materials
- **Connect** Adult Ed programs to each other and to career pathways in designed industry clusters
- **Increase** support services for Adult Ed students
- **Expand** course offerings and locations through the region
- **Centralize** data & utilize a common platform to consistently track Adult Ed information and needs within the region

# Part 3

# Next Steps for AB 86 & Adult Education in our Region



# Next Steps for AB 86

- The proposed plan was submitted to CCCCCO on March 1, 2015.
- The AB 86 workgroups will administer a student survey to current Adult Ed students
- Develop Roadmaps for students to better understand Adult Ed opportunities.

# Future Considerations

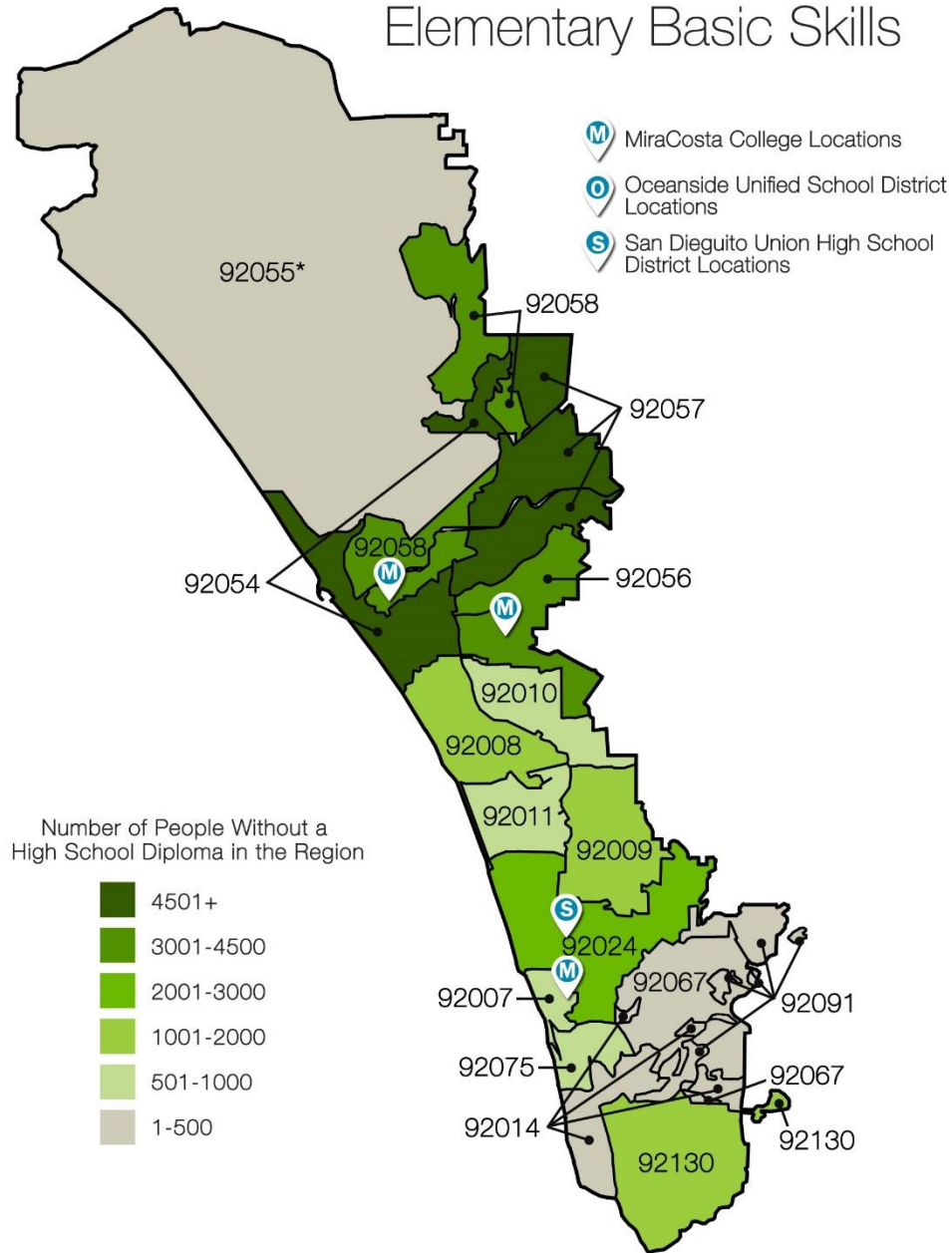
## **1. Student Success**

- Develop economic self-sufficiency
- Realization of human potential

## **2. Continued District support for Adult Education**

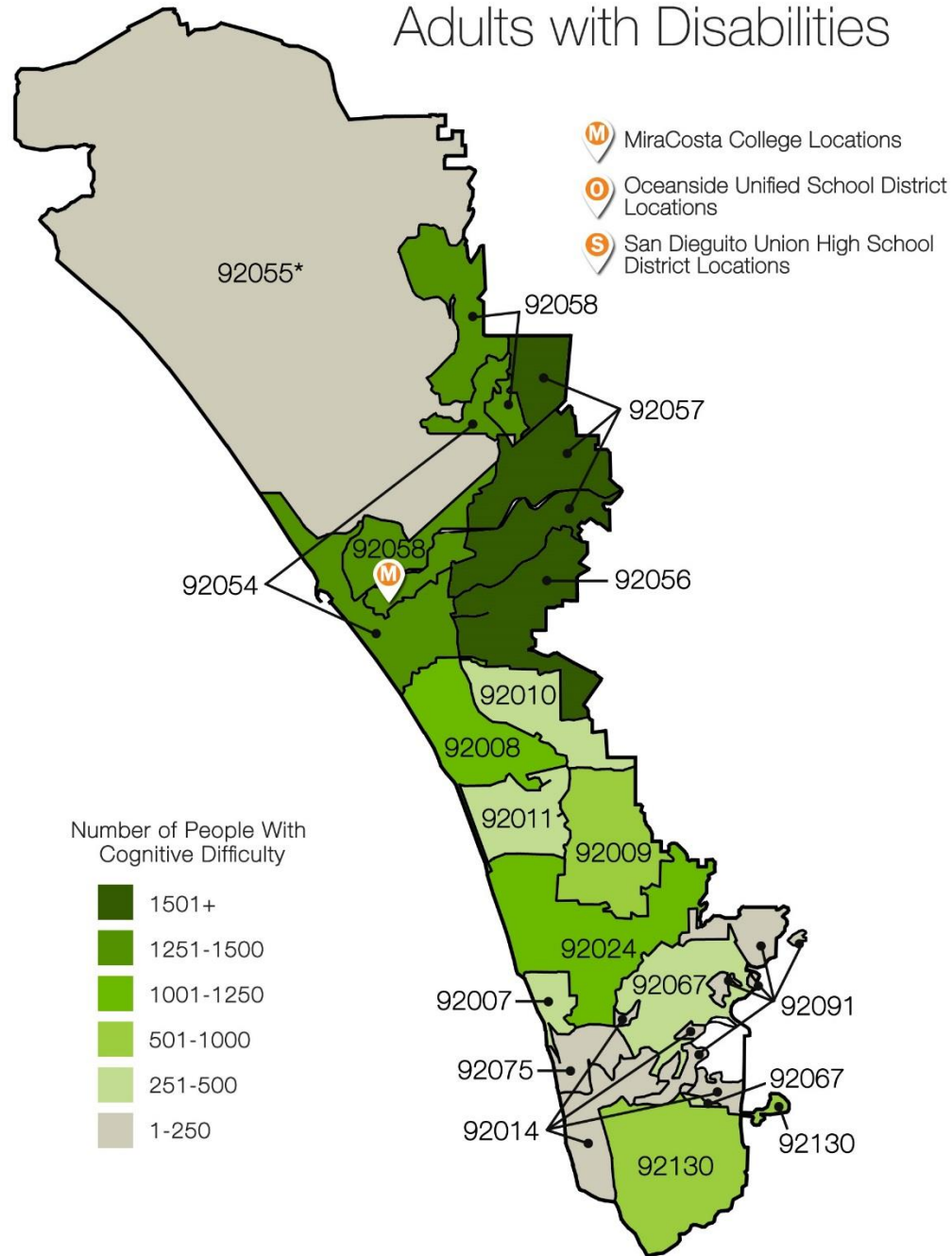
ITEM 21

# Elementary Basic Skills



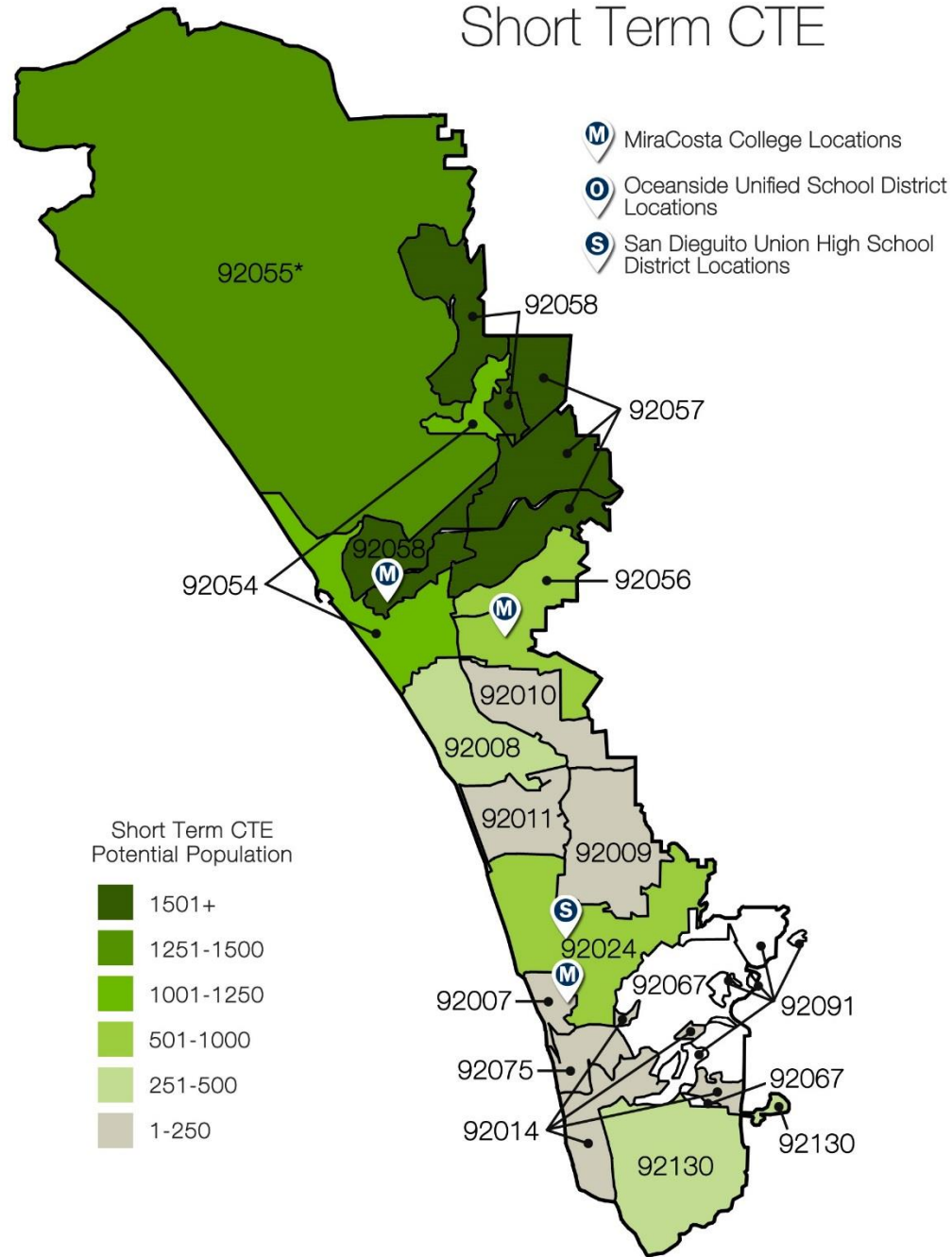
# Adults with Disabilities

## ITEM 21



# Short Term CTE

## ITEM 21



ITEM 22

# San Dieguito Union High School District

## INFORMATION REGARDING BOARD AGENDA ITEM

**TO:** BOARD OF TRUSTEES

**DATE OF REPORT:** March 6, 2015

**BOARD MEETING DATE:** March 19, 2015

**PREPARED BY:** Corrie Amador  
Director of Classified Personnel  
Torrie Norton  
Associate Superintendent, Human Resources

**SUBMITTED BY:** Rick Schmitt  
Superintendent

**SUBJECT:** Personnel Commission - Classified Job  
Description Report

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### EXECUTIVE SUMMARY

The following classified job descriptions have been reviewed by the Classification Advisory Committee and subsequently approved by the Personnel Commission.

Classification Title	Personnel Commission Approval Date	Change Type
Telecommunications Technician	2/10/15	Revised
Information Systems Support Technician	2/10/15	Revised

### RECOMMENDATION:

This item is being submitted for information only.

### FUNDING SOURCE:

N/A

## TELECOMMUNICATIONS TECHNICIAN

### OVERALL JOB PURPOSE STATEMENT

Under the direction of the Director of Information Technology, the job of Telecommunications Technician ensures the availability and proper operations of the District's telecommunications and multimedia systems; providing required documentation for future reference and for requirements of outside agencies; providing information on the proper operation of telecommunications, multimedia systems and network connected peripheral equipment ; ensuring the completion of projects in a timely manner and in compliance with appropriate codes and regulations.

### DISTINGUISHING CHARACTERISTICS

This job is distinguished from similar jobs by the following characteristics: the Telecommunications Technician is a technical class responsible for performing repairs to, and installing/relocating telephone equipment, cables, intercom systems, alarm and bell systems, electronic clocks multimedia and related systems. This includes diagnosing, repairing and resolving equipment and system problems, programming voice messaging systems, performing traffic studies and recommending systems improvements, maintaining equipment and system inventory. Operates tools and advanced electronic analysis equipment.

### ESSENTIAL FUNCTIONS

- Installs, maintains, diagnoses and repairs telecommunications multimedia systems and equipment and a variety of network connected peripheral equipment (e.g. cabling, fire alarms, bells, projectors/speakers, score boards, digital marquees, public address systems, etc.) for the purpose of ensuring the availability and proper operations of services and systems.
- (see revision above) Performs the relocation, repairs and small scale installation of data cabling.
- Monitors district-wide voice network (e.g., executing program updates, repairing hardware and software for voice network systems, etc.) for the purpose of ensuring the network is in proper working order.
- Provides hands-on support performing tasks such as hardware, software, and network troubleshooting, server imaging and configuration related to telecommunications and multimedia systems.
- Researches hardware and software applications and processes related to telecommunications and multimedia systems and equipment for the purpose of recommending standardized equipment and application in accordance with District's goals.
- Records/documents a variety of activities (e.g. preventive maintenance, purchases, inspections, etc.) for the purpose of providing required information for future reference and for requirements of outside agencies.
- Estimate time, material and supply needs to complete jobs; monitor inventory levels of telecommunications and multimedia parts and supplies; assist in ordering parts and supplies as directed.
- Instructs/orients school personnel on the available services and systems operation for the purpose of ensuring proper and efficient system usage and reducing service calls. (see revised bullet) Attends educational seminars and meetings for the purpose of addressing safety concerns and issues.

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## TELECOMMUNICATIONS TECHNICIAN

- Coordinates/ work with outside contractors for the purpose of ensuring the completion of projects in a timely manner and according to specifications. Reports on project completion to supervisor.
- (see revised bullet)Assists in the performance of other related duties as assigned for the purpose of accomplishing organizational goals.

### JOB REQUIREMENTS: MINIMUM QUALIFICATIONS

#### KNOWLEDGE, SKILLS AND ABILITIES

**KNOWLEDGE** is required to perform algebra and/or geometry; review and interpret highly technical information, write technical materials, and/or speak persuasively to implement desired actions; and analyze situations to define issues and draw conclusions. Specific knowledge required to satisfactorily perform the functions of the job includes: multimedia software and hardware; telecommunication standards; tie lines, off premise extensions, digital and analog services; PBX diagnostics, repair and programming; state and local laws governing the installation of telecommunication equipment; California Public Utilities Commission rules of safety practices;mechanical and electronic key systems and clocks; intercom and bell systems; record-keeping procedures; and microcomputers, and monitors.

**SKILLS** are required to perform multiple, highly complex, technical tasks with a need to periodically upgrade skills in order to meet changing job conditions. Specific skills required to satisfactorily perform the functions of the job include: operating standard office equipment including using pertinent software applications; operating equipment used in the maintenance and repair of telecommunications and multimedia equipment; and preparing and maintaining accurate records.

**ABILITY** is required to schedule activities and/or meetings; gather and/or collate data; and consider a wide variety of factors when using equipment. Flexibility is required to independently work with others in a wide variety of circumstances; work with data utilizing defined but different processes; and utilize equipment under a variety of conditions for multiple purposes. Ability is also required to work with a significant diversity of individuals and/or groups; work with data of widely varied types and/or purposes; and utilize a wide variety of types of job-related equipment. In working with others, problem solving is required to analyze issues and create action plans. Problem solving with data frequently requires independent interpretation of guidelines; and problem solving with equipment is significant. Specific abilities required to satisfactorily perform the functions of the job include: establishing effective working relationships with others; understand and follow oral and written directions; reading drafts and blueprints relating to construction, reconstruction and cabling/wiring. Must be able to drive a vehicle to transport hardware, parts and equipment.

#### RESPONSIBILITY

Responsibilities include: working independently under broad organizational guidelines to achieve unit objectives. Utilization of some resources from other work units may be required to perform the job's functions. There is a continual opportunity to impact the Organizations services.



## **TELECOMMUNICATIONS TECHNICIAN**

### **WORKING ENVIRONMENT**

The usual and customary methods of performing the job's functions requires the following physical demands:

Physical Demands Frequency Definitions Based on an 8-Hour Day:

Never = 0%

Seldom = 1-10% (<45 minutes)

Occasionally = 11-33% (up to 3 hours)

Frequently = 34-66% (up to 6 hours)

Continuously = 67-100% (more than 6 hours)

Seldom = climbing and balancing to install equipment and lifting up to 50 lbs. up to 30 ft. in distance

Occasionally	stooping/bending, squatting/crouching, kneeling, twisting back, power/firm grasping, reach above shoulder, lifting and carrying up to 25 lbs. up to 35 ft. in distance
Frequently	sitting, walking, standing, neck flexion/rotation, pushing/pulling, fingering/fine manipulation, handling/simple grasping, reach at and below shoulder, using hand and foot controls

### **AUDITORY OR VISUAL REQUIREMENTS**

Ability to hear electronic equipment for safe operations; hear telephones, answer questions, communicate with staff, students. Visual requirements: near, distant, color, depth and peripheral vision.

### **ENVIRONMENTAL CONDITIONS**

Ability to operate a motor vehicle requiring a Class C driver's license. The job is performed with exposure to dust and at heights where stairs and ladders need to be used.

### **EXPERIENCE**

Three years of increasingly responsible experience in the maintenance, repair and installation of telecommunications systems and equipment including at least one year of experience with VOIP systems; any combination of experience that demonstrates the ability to maintain, repair and install a variety of other networked multimedia equipment systems.

### **EDUCATION**

Any combination equivalent to graduation from high school or recognized equivalent supplemented by course work or certified training in telecommunications or related field.

### **REQUIRED TESTING**

Pre-employment testing and assessment to demonstrate minimum qualifications required for the position.

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**ITEM 22**

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## **TELECOMMUNICATIONS TECHNICIAN**

### **CERTIFICATES**

Possession of a valid California Class C Driver's License; formal certification to maintain and repair telecommunications systems and equipment.

### **CONTINUING EDUCATION/TRAINING**

Ongoing training related to district-specific telecommunications and multimedia systems and other training as assigned.

### **CLEARANCES**

California Department of Justice (DOJ) and Federal Bureau of Investigation (FBI) background (fingerprint) clearance; pre-employment physical examination including Tuberculosis (TB) and drug screen clearances.

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## INFORMATION SYSTEMS SUPPORT TECHNICIAN

### OVERALL JOB PURPOSE STATEMENT

Under the direction of the Executive Director of Educational Services, the job of Information Systems Support Technician includes supporting ongoing activities and maintenance of the student information system (SIS) and other district resource application systems as assigned; providing technical training to site personnel who use SIS; resolving reports and data issues of SIS; maintaining SIS software and reporting capability.

### DISTINGUISHING CHARACTERISTICS

Positions in the technology program are responsible for the installation, maintenance, repair and reliable functioning of hardware, software, and data systems acquired and installed to support District instructional and administrative programs.

The Information Systems Support Technician supports procedures and activities that maintain the reliability and integrity of the student information system (SIS) including attendance, registration, class scheduling, grades. This position also supports other application systems as assigned and may provide user support. In contrast, the Information Systems Support Specialist is responsible for the integrity of the data maintained in the District's SIS, for the reliability of the software that supports the system, for ensuring necessary training for all SIS users.

### ESSENTIAL FUNCTIONS

- Supports the program to develop and maintain a district-level database for the purpose of collecting, organizing, analyzing and reporting student test results required by the District and by county, state and federal agencies.
- Manages and maintains daily tasks for SIS data and reports for the purpose of ensuring reliability and accuracy of the database.
- Designs various reports and report formats, such as graphics and pivot tables, for the purpose of providing information to meet specific reporting needs.
- As assigned, facilitates the administration of testing, including the acquisition of testing materials and coordination with school sites regarding the preparation of testing procedures.
- Provides training to site personnel on use of student information system for ensuring the accurate, timely and integral use of the program at all school sites.
- Analyzes student information using application software for the purpose of providing District programs with information needed to make various program decisions.
- Provides technical support and training to site users and District system users to ensure that SIS functions normally and reliably and staff are able to make full use of SIS capabilities.
- As assigned may prepare files for electronic transmission of data to various State and education agencies for the purpose of meeting various reporting requirements and requests for information.
- Assists in the development of District procedures and SIS protocols for the purpose of ensuring a uniform and reliable data environment and maintaining documentation of installed systems.
- Assists in the support of systems and projects as directed for the purpose of maintaining integrity of SIS and meeting the information needs of system users.
- As assigned, supports importation of student data such as scores, grading, registration, attendance, etc., from various sources (for example, elementary districts, site records, etc.) to ensure accurate and timely posting of essential new data.
- Designs/produces materials (e.g. brochures, forms, training aids, etc.) for the purpose of

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## INFORMATION SYSTEMS SUPPORT TECHNICIAN

- communicating information.
- Organizes records and files for the purpose of establishing and maintaining a system of access to information.
- Compiles data of a statistical nature (e.g. projections, data fields and records, student demographics, etc.) for the purpose of assisting others in the preparation of recommendations and/or reports for administrative review and action.
- Informs public and outside agencies regarding a variety of procedures and program requirements for the purpose of providing the necessary information for completing transactions, taking appropriate actions and/or complying with established guidelines.
- Prepares/composes/disseminates a variety of documents (e.g. correspondence, agendas, minutes of meetings, lists, reports, calendars, schedules, flyers, charts, etc.) for the purpose of documenting and communicating activities and information.

### OTHER FUNCTIONS

Performs other related duties as assigned.

### JOB REQUIREMENTS: MINIMUM QUALIFICATIONS

#### KNOWLEDGE, SKILLS AND ABILITIES

**KNOWLEDGE** of the Windows operating system environment; procedures to maintain complex database and reporting systems; industry standards and procedures of SIS database application and maintenance, student attendance, grading, registration, and class scheduling standards, practices, and procedures; modern office practices, procedures and equipment; design and format of reports extracted from database systems; troubleshooting and diagnostic techniques for identifying and resolving database and reporting errors; basic principles of training; software applications used by the District; oral and written communication skills; telephone techniques and etiquette; correct English usage, grammar, spelling, punctuation and vocabulary; interpersonal skills using tact, patience and courtesy; principles of providing work direction and guidance.

**ABILITY** is required to communicate and work effectively with others, including students, a variety of staff, managers and administrators; understand written and oral instructions; organize and plan an effective work schedule with users; install and maintain complex database systems and applications; troubleshoot and debug database applications and software problems; train and assist others in the use and functions of assigned software; provide and maintain documentation of installed systems; work under general supervision on software problems; communicate with vendors and other technical experts to diagnose and eliminate software problems; work with accuracy and precise attention to details and provide similar guidance to system end-users; provide technical support and guidance and training on system procedures, techniques, methods, and requirements to others; read, interpret and apply technical manuals and documentation; detect errors in data output; analyze situations accurately and adopt an effective course of action; meet schedules and timelines; observe legal and defensive driving practices; travel between district sites and to other work-related locations such as the San Diego County Office of Education.

**CLASSIFIED****ITEM 22****INFORMATION SYSTEMS SUPPORT TECHNICIAN****WORKING ENVIRONMENT**

The usual and customary methods of performing the job's functions requires working in an office. The job functions require the following physical demands:

Physical Demands Frequency Definitions Based on an 8-Hour Day:

Never = 0%

Seldom = 1-10% (<45 minutes)

Occasionally = 11-33% (up to 3 hours)

Frequently = 34-66% (up to 6 hours)

Continuously = 67-100% (more than 6 hours)

Seldom or Occasionally	Pushing and pulling, reach above shoulder, reach at shoulder, stooping/bending, climbing/balancing, pushing/pulling, crawling
Occasionally	Walking, standing, squatting/crouching, lifting and carrying up to 25 pounds at waist or overhead/shoulder height up to 25 feet
Occasionally or Frequently	Handling, simple grasping
Frequently or Continuously	Sitting up to one hour in intervals, neck flexation/rotation, reach below shoulder, fingering/fine manipulation to operate a keyboard and special equipment

**AUDITORY OR VISUAL REQUIREMENTS**

Auditory ability to hear others in order to communicate and make presentations, vision ability to see near, distant, color, depth and peripherally

**ENVIRONMENTAL CONDITIONS**

Position is required to travel to all school sites in the District and occasionally to other school districts and the County Office of Education; such travel is typically in employee's own vehicle with mileage reimbursement.

**EXPERIENCE**

Job-related experience within specialized field is required, typically represented by a minimum of one year in the application of one year experience with information systems applications software. Experience in the application of key SIS components of attendance, master scheduling and registration preferred. Intermediate experience using Excel (such as using formulas, graphs and pivot tables to present, compare, import, format, calculate and validate data).

**EDUCATION**

High School diploma or equivalent.

**REQUIRED TESTING**

Pre-employment testing and assessment to demonstrate minimum qualifications required for the position.

**CERTIFICATES**

Possession of a valid State of California Class C or higher driver's license, and proof of insurance.

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**ITEM 22**

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**INFORMATION SYSTEMS SUPPORT TECHNICIAN**

**CONTINUING EDUCATION/TRAINING**

Participation in ongoing job-related training as assigned.

**CLEARANCES**

California Department of Justice (DOJ) and Federal Bureau of Investigation (FBI) background (fingerprint) clearance; pre-employment physical examination including Tuberculosis (TB) and drug screen clearances.