

BOARD ACTION

SUPERINTENDENT

MERCED CITY SCHOOL DISTRICT

TO: Board of Education
FROM: RoseMary Parga Duran, Ed.D., District Superintendent
DATE: December 14, 2010
SUBJECT: **GIFTS/GRANTS AND BEQUESTS**

Recommendation

It is recommended that the Board of Education accept the gifts/grants and bequests in the amount of \$1,479.27

<u>School/Department</u>	<u>Description</u>	<u>Donated By</u>	<u>Value</u>
Burbank School	Monetary donation	PG&E Corporation	\$ 246.00
Burbank School	Monetary donation	Burbank P.T.C.	\$1,233.27

Background: As a result of Board Policy 3290, Gifts/Grants/Bequests, adopted by the Board on October 3, 1989, the items listed above reflect what has been received by a school and/or department in the district.

Fiscal Impact

Revenue: \$1,479.27
Expenditure: None
Budget Category: Instructional Supplies

EDUCATIONAL SERVICES

MERCED CITY SCHOOL DISTRICT

TO: RoseMary Parga Duran, Ed.D.
District Superintendent

FROM: Annie Dossetti.
Acting Assistant Superintendent, Educational Services

DATE: December 14, 2010

SUBJECT: **K-5 READING/LANGUAGE ARTS UPDATE**

Recommendation

It is recommended that the Board of Education approve the purchase of the Houghton Mifflin Reading: Medallion Edition and the Medallion Edition English Language Development (ELD) Program for grades K-5.

Background

In 2008, California developed new textbook criteria to produce instructional materials that would help teachers to close the achievement gap. To that end, the criteria emphasized increased vocabulary, oral reading fluency, expository text, and writing. There was a deeper focus on the instructional needs of English learners, struggling readers, students with disabilities, and improved types of assessments.

While assembly Bill X4 2 suspended the process and procedures for adopting instructional materials, including framework revisions, until the 2013-14 school year, teachers are still in need of updated instructional materials that include the current and confirmed research in Reading/Language Arts and English Language Development.

Houghton Mifflin Reading: Medallion Edition is a 2008 state-adopted K-5 Reading program that allows the district to update the Reading/Language Arts materials purchased in 2003. The Medallion Edition utilizes the current student materials and anthology, and enhances the teacher materials to meet all criteria to qualify as a 2008 state-adopted text.

Practice books for the core materials are free for the life of the adoption, which represents savings over annual purchase.

The Medallion Edition ELD Program offers new materials that link explicitly and systematically to the Medallion Edition core program. It is a researched-based program designed to ensure all English Learners are proficient in ELA and ELD standards.

MERCED CITY SCHOOL DISTRICT

Fiscal Impact

Fiscal Impact

HMR MEDALLION CA 2010			
Grade Level	# of Classrooms	Cost Per Classroom	Total
K	53	\$1,187.51	\$ 62,938.03
1 st	56	\$1,496.39	\$ 83,797.84
2 nd	62	\$878.63	\$ 54,475.06
3 rd	63	\$1,389.96	\$ 87,567.48
4 th	48	\$943.82	\$ 45,303.36
5 th	47	\$943.82	\$ 44,359.54
Additional Materials Needed Due to 20:1 Student Ratio pricing:			
K	149 Practice Books	\$15.02	\$ 2,237.98
1 st	77 Practice Books Volume 1	\$9.90	\$ 762.30
1 st	77 Practice Books Volume 2	\$13.20	\$ 1,016.40
Sub Total			\$382,457.99
State and Local Taxes			\$ 33,465.07
TOTAL			\$415,923.06

HMR MEDALLION CA 2010 ELD			
Grade Level	# of Classrooms	Cost Per Classroom	Total
K	26	\$623.00	\$ 18,690.00
1 st	30	\$623.00	\$ 16,198.00
2 nd	25	\$623.00	\$ 15,575.00
3 rd	27	\$675.00	\$ 18,225.00
4 th	27	\$675.00	\$ 18,225.00
5 th	26	\$675.00	\$ 17,550.00
Sub Total			\$104,463.00
State and Local Taxes			\$ 9,140.51
Shipping & Handling			\$ 10,446.30
TOTAL			\$124,049.81

GRAND TOTAL	\$539,972.87
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Revenue: None

Expenditures: Approximately \$540,000

Budget Category: Fund 01-General Fund: Resource 0801 Instructional Materials

MERCED CITY SCHOOL DISTRICT

TO: RoseMary Parga Duran, Ed.D.
District Superintendent

FROM: Annie Dossetti
Acting Assistant Superintendent, Educational Services

PREPARED BY: Ken Testa, Ed.D.
Director, Special Education and Pupil Services

DATE: December 14, 2010

SUBJECT: **STUDENT EXPULSION**

Recommendation

It is recommended that the Board of Education adopt the findings of fact, rehabilitation plan, and readmission date as set forth in the recommendation of the administrative panel and approve the expulsion of Student # 3/2010-11.

Background

The Board of Education may review and deliberate this item only in closed session. The Board of Education must vote in open session concerning each student.

Fiscal Impact

Revenue: None

Expenditure: None

Budget Category: None

MERCED CITY SCHOOL DISTRICT

TO: RoseMary Parga Duran, Ed.D.
District Superintendent

FROM: Annie Dossetti
Acting Assistant Superintendent, Educational Services

PREPARED BY: Ken Testa, Ed.D.
Director, Special Education and Pupil Services

DATE: December 14, 2010

SUBJECT: **STUDENT EXPULSION**

Recommendation

It is recommended that the Board of Education adopt the findings of fact, rehabilitation plan, and readmission date as set forth in the recommendation of the administrative panel and approve the expulsion of Student # 4/2010-11.

Background

The Board of Education may review and deliberate this item only in closed session. The Board of Education must vote in open session concerning each student.

Fiscal Impact

Revenue: None

Expenditure: None

Budget Category: None

ADMINISTRATIVE SERVICES

MERCED CITY SCHOOL DISTRICT

TO: RoseMary Parga Duran, Ed.D.
District Superintendent

FROM: Greg Spicer
Associate Superintendent, Administrative Services

DATE: December 14, 2010

SUBJECT: **2011-2012 SCHOOL CALENDAR**

Recommendation

It is recommended that the Board of Education adopt the 2011-2012 school calendar as presented.

Background

Staff has met with representatives of MCTA, CSEA and Management to review different calendar options.

The first day of school will be August 15, 2011 and school will end on June 1, 2012. Eighth grade graduation is scheduled for Wednesday, May 30, 2012.

Fiscal Impact

Revenue: None

Expenditure: None

Budget Category: None

MERCED CITY SCHOOL DISTRICT
Calendar for July 2011/June 2012

July, 2011						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

August, 2011						
S	M	T	W	T	F	S
		1	2	3	4	5
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

September, 2011						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

October, 2011						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

November, 2011						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

December, 2011						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

January, 2012						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

February, 2012						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29			

March, 2012						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

April, 2012						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

May, 2012						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

June, 2012						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

QUARTERS - K - 8

- 1st Quarter - Oct 14 (44 DAYS)
- 2nd Quarter - Jan 6 (41 DAYS)
- 3rd Quarter - Mar 16 (47 DAYS)
- 4th Quarter - Jun 1 (48 DAYS)

LEGAL HOLIDAYS

- July 4 Independence Day
- September 5 Labor Day
- November 11 Veterans' Day
- November 23 Classified Non-work Day
- November 24 Thanksgiving Day
- November 25 In Lieu of Admission Day
- December 23 In lieu of Good Friday
- December 26 In Lieu of Christmas Day
- December 30 In Lieu of New Year's Eve 1/2 Da
- January 2 In Lieu of New Year's Day
- January 16 Martin Luther King Jr Day
- February 17 Lincoln's Birthday
- February 20 Presidents' Day
- May 28 Memorial Day

LOCAL RECESS

- November 21-25 Thanksgiving Week
- Dec 16 - Jan 3 Winter Break
- April 2-9 Spring Break

IMPORTANT DATES

- August 5 & 8 New Teacher Orientation
- August 9 & 12 Pre-Service Set Up Days
- August 10 & 11 Staff Development
- August 15 First Day of School**
- September 8 Back to School (Pre K - 5)
- September 15 Back to School (6-8)
- Oct 17-25 Pre K-5 Parent Conference
- Oct 27-Nov 4 6-8 Parent Conference
- March 1 & 2 Middle School-Staff Development
- March 8 & 9 Pre K-5 Parent Conference
- May 10 Open House (6-8))
- May 16 Open House (Pre K-5)
- May 29 8th Grade Trip
- May 30 8th Grade Graduation
- June 1 Last Day of School (Minimum Day)

LEGEND

- New Teacher Orientation
- Holiday
- Pre K-5 Parent Conference (Minimum Days)
- 6-8 Parent Conference (Minimum Days)
- Back to School Night
- Open House
- 1/2 Day
- All Teachers return
- Local Recess
- Beginning/End of School Year
- [] # of School Days in that Month

PROGRESS REPORT WINDOW DATES:
 SEP 9 TO CLOSE OF BUSINESS SEP 13
 NOV 10 TO CLOSE OF BUSINESS NOV 15
 FEB 3 TO CLOSE OF BUSINESS FEB 7
 APR 20 TO CLOSE OF BUSINESS APR 24
GRADING WINDOW: MAY 25 TO JUN 4

MERCED CITY SCHOOL DISTRICT

TO: RoseMary Parga Duran, Ed.D.
District Superintendent

FROM: Greg Spicer
Associate Superintendent, Administrative Services

PREPARED BY: Kraig Magnussen
Chief Operations Officer

DATE: December 14, 2010

SUBJECT: **DEVELOPER FEE REPORT FOR 2009-2010**

Recommendation

It is recommended that the Board of Education accept the Developer Fee Report for fiscal year 2009-2010.

Background

Effective January 1, 1997, Government Code sections 66001 and 66006 require the Merced City School District to make findings and provide information regarding the fees imposed by the District as a condition to development project approval. Accordingly, the District hereby presents this report containing the findings and information required by sections 66001 and 66006 with respect to the statutory school fees levied by the District pursuant to Government Code section 53080 as a condition to the issuance of building permits.

Fiscal Impact

Revenue: None

Expenditure: None

Budget Category: None

MERCED CITY SCHOOL DISTRICT

DEVELOPER FEE FINDINGS AND PUBLIC INFORMATION REPORT FOR FY 2009-2010

(Note: Reporting requirements are in regular type below and District responses are shown in *Italics.*)

A. Introduction

Effective January 1, 1997, Government Code sections 66001 and 66006¹ require the Merced City School District (“District”) to make findings and provide information regarding the fees imposed by the District as a condition to development project approval. Accordingly, the District hereby presents this report containing the findings and information required by sections 66001 and 66006 with respect to the statutory school fees levied by the District pursuant to Government Code section 53080 as a condition to the issuance of building permits.²

B. Overview of School Facility Fee Program

1. Authorization for School Districts to Levy School Fees.

On January 1, 1987, Government Code section 53080 became effective authorizing School Districts to levy fees on new residential, as well as commercial and industrial construction, for the purpose of providing funding for school facilities. At the same time, Government Code section 65995 became effective defining the construction subject to school fees and setting a maximum limit on the amount of the fee to be levied on residential and commercial/industrial construction.

On January 20, 1987, the Board of Education of the Merced City School District approved a resolution authorizing the levy of school fees on both residential and commercial/industrial development.

The Board of Education periodically increased the amount of its school fees consistent with the biennial inflationary increase authorized pursuant to Government Code section 65995, subdivision (b) (3). The most recent increase based on the Justification Study occurred in 2008 when the Board of Education established the current Level I residential school facility fee of \$2.97 and commercial/industrial fee of \$0.47.³ On January 27, 2010, the SAB elected to leave the current Level I fee unchanged. A Needs Analysis completed in June 2010 qualified the District for Level II Developer Fees and on August 10, 2010 the Board of Education decreased the residential fees to a level of \$2.70 per square foot.⁴

¹All further references are to the Government Code unless otherwise indicated.

²The findings contained in this report are limited to statutory school fees and do not relate to any other source of revenue for the construction of school facilities such as general obligation bonds or voluntary mitigation agreements.

See Attachment A for detailed explanation.

⁴ Level I Developer Fees are split 1/3 -2/3 between MUHSD-MCSD
Level II Developer Fees are all MCSD

MERCED CITY SCHOOL DISTRICT

2. The Purpose of the School Facility Fee.

The District levies school fees on new construction for the general purpose of providing adequate facilities to serve the students generated by new residential and commercial/industrial development in the District. The District uses the fees to finance the construction of school facilities; provide temporary housing; pay the administrative and legal costs associated with the District's developer fee program within regulatory limits; and any other purpose consistent with law.

3. The Reasonable Relationship between the Fees and the Purpose for Which Those Fees Are Charged.

A reasonable relationship exists between the District's school facility fees and the purpose for charging those fees, i.e., providing school facilities. Residential and commercial/industrial development generates additional students who cannot be housed without additional school facilities.

The amount of the District's residential and commercial/industrial school fees is reasonably related to the cost of providing the facilities necessary to house the students generated from the new developments upon which the fees are imposed. Specifically, the square footage of construction in these developments has direct relationship to the number of students generated and, thus, to the facilities which the District must add to accommodate these students.

As set forth in the following reports entitled SCHOOL FACILITIES NEEDS ANALYSIS AND LEVEL II DEVELOPER FEE JUSTIFICATION REPORT dated June, 2010, by Michael Paoli & Associates show that the District's projected enrollment will exceed the capacity of the District's existing school facilities. These studies further demonstrate that by 2014, or sooner, new development will generate additional students for whom the District must provide additional facilities. This and other reports mentioned in this document are incorporated into this Developer Fee Report by reference.

4. Summary of School Facility Construction 1987-2010 and Anticipated Future Construction.

During the years since the Board of Education first acted to establish its school fee program in January, 1987, the District's enrollment had increased to 10,805 students in 2009-2010 an increase of 1,301. During 2009-2010, enrollment has decreased slightly by 71 students from 2008-2009. In order to accommodate the anticipated growth of students, the District is developing a FACILITIES NEEDS LIST⁵ that identifies modernization, land acquisition, and new construction projects. The District intends to proceed with construction of these projects as funds become available.

Other projects already completed with Developer Fee funds include:

New Construction Projects

1 Elementary Schools

New Portable Classroom Buildings at Various School Sites.

2 Multi-Purpose Room, Music/choir room

⁵ See Facility Needs List (June 2010)

MERCED CITY SCHOOL DISTRICT

New classroom and Library

Despite this aggressive building and modernization program, the District continues to have capital facility needs due to new development and the actual and anticipated population growth within its boundaries. To meet these needs the District has purchased one additional elementary school site and is looking to acquiring three other elementary sites and two middle school sites.

According to the District's 2001-2020 STRATEGIC PLAN FOR FACILITIES, the District plans to construct ten additional schools by 2020. The estimated cost to acquire the land and actually build these facilities is \$277.3 million dollars (2001 dollars).

Findings of this report, and third-party studies mentioned herein, show that overcrowding due to a shortage of sufficient classroom space does exist within the Merced City School District. Remedies for this overcrowding condition will include the acquisition of additional classroom and support facilities, for which property has been, and will continue to be, acquired by the District. The cost of such acquisitions of property and facilities will exceed the existing Developer Fee funds and any anticipated Developer Fee revenues collected for the foreseeable future. Additional funding will be necessary and may include funding from the State's School Facility Program, Measure S bond funds, the passage of additional local school facility bonds, redevelopment funds, and additional funding mechanisms and agreements between the District and landowners and/or developers.

C. Statutory Requirements to Provide the Public with Specific Findings Annually and at Five Year Intervals Overview of School Facility Fee Program

1. Annual Findings

Since the District's statutory schools fees (Developer Fees) are required to be paid as a condition to the issuance of building permits, Government Code sections 66001 and 66006 require that the District make certain findings and provide the public with certain information concerning such fees on an annual basis and at five year intervals.

Specifically and within 180 days after the last day of the each fiscal year, the District is required to make available to the public information describing the type of the fees in the account or fund designated for capital facilities; the amount of the fees; the beginning and ending balance of the fees; the total amount of the fees collected; as well as any interest paid thereon.

This information is shown in Table 1 below.

Table 1

<i>Developer Fee beginning balance as of July 1, 2009</i>	<i>\$ 154,128.48</i>
<i>Fiscal Year 2009-10 revenue from residential and commercial fees</i>	<i>84,806.04</i>
<i>Interest earned</i>	<i>2,545.39</i>
<i>Other Income and Authorized Transfer In</i>	<i>11,745.30</i>
<hr/>	
<i>Total Expenses</i>	<i>38,698.64</i>
<i>Ending Balance as of June 30, 2010</i>	<i>\$ 214,526.57</i>

MERCED CITY SCHOOL DISTRICT

In addition, Government Code section 66001 requires that the District identify each public improvement on which statutory school fees were expended, the amount of the expenditure on each such facility and the total percentage of the cost of such facility that was funded by statutory school fees.

Projects for which Developer Fees were expended during the 2009-10 Fiscal Year are:

Relocatable Classrooms Annual Lease. These units on a lease or lease/purchase contract are located at Peterson elementary school. In which annual fees are paid from Developer Fee funds. While rental/lease of portable units is on-going from year to year, permanent units were purchased to replace some of these units this result in an ultimate economy to the District.

New School Sites: There are sites in the District that are in various stages of acquisition, construction and planning for new schools—an elementary school on Rivera is currently in the early planning stage and possible acquisition of a site for a middle school on Rancho Lane. Acquisition costs for these sites come from the Developer Fee fund.

Additional administrative costs, required studies and reports, consultant, legal and professional fees related to housing of students have been and will continue to be paid for from the Developer Fee fund.

See Table 2 below for amounts spent on projects.

Table 2

<i>Project (FY 2008-09)</i>	<i>Amount Expended</i>	<i>Percent Funded by Developer Fees</i>
<i>Relocatable Classrooms</i>	23,946.87	100%
<i>New School Site land improvement</i>	0.00	
<i>Classroom Building Projects</i>	7,601.77	
<i>Professional Svc / Consultants</i>	7,150.00	
<hr/>		
<i>Total</i>	\$ 38,698.64	

For those public improvements that have yet to be completed, within 180 days of determining that sufficient financing is available to complete the project, the District must identify an approximate date for the commencement of construction on that improvement.

The Rivera School Site is in the planning stages at this time and construction of a new elementary school on this property. Other future school sites (Paulson) have been identified and efforts by the District have begun for planning and/or acquisition of these sites. Measure S Funds, State Matching Funds and Developer Fees will be used for expenses related to the acquisition and development of these sites.

In addition to the foregoing requirements, the District annually must describe each interfund transfer or loan made from the school fees account or fund; the public improvement on

MERCED CITY SCHOOL DISTRICT

which the transferred or loaned funds were expended; the date of expected repayment; and the interest the fund will receive on the loan.

2. Five Year Findings

Pursuant to Section 66001, at least every fifth fiscal year following the first deposit into an account or fund, and at least every five years thereafter, the District must make findings with respect to that portion of the account or fund remaining unexpended. In these findings, the District must identify all sources and the amounts of funding anticipated to complete the financing for any incomplete project, i.e., funds received pursuant to the State Facilities Program, general obligation revenues, statutory school fees, bond funds, and fees derived from voluntary agreements with developers. The District must further designate an approximate date on which such funding is expected to be deposited in the fund.

For the Rivera and Paulson school site projects, it is anticipated that funding for up to 50% of the costs for the site, improvements, and other related costs will eventually come from the State's School Facility Program and/or other funding sources identified in this report. Measure S funds will also be used for the, Rivera School Site.

C. Additional Findings

1. Five Year Account Fund Balance Summary

Table 3 shows the five-year account report.

Table 3
Five Year Account Report

Fiscal Year	Beg. Balance	Revenue	Expenses	Ending Balance
05-06	*4,063,388	7,979,362	10,262,273	1,780,477
06-07	1,780,477	3,991,502	5,441,489	330,490
07-08	330,490	631,674	798,434	163,730
08-09	163,730	**23,763	33,365	154,128
09-10	154,128	99,096	38,698	214,526
Totals	6,492,213	12,725,397	16,574,259	2,643,351

*Change in beginning balance due to audit adjustment of \$297,498

**Balance after developer fee refund of \$102,176.46 (net/MCSD share)

2. Five Year Fees Collected and Interest Earned Summary

Table 4 shows the amount of the Developer Fees collected and the interest earned for the past five years.

Table 4
Five Year Fees Collected and Interest Earned

Fiscal Year	Fees Collected	Other Income	Interest Earned	Total
05-06	7,763,945	28	215,389	7,979,362
06-07	2,217,897	1,648,481	125,123	3,991,501
07-08	537,059	63,056	31,559	631,674
08-09	17,915	0	5,848	23,763
09-10	84,806	11,745	2,545	99,096
Totals	10,621,622	1,723,310	380,464	12,725,396

MERCED CITY SCHOOL DISTRICT

(Attachment A)

Facilities Planning Department

2105 Wardrobe Avenue

Phone (209) 724-2410 Fax (209) 385-6782

Kraig Magnussen Chief Operations Officer

William Rains, Supervisor • Juan Mendoza, Supervisor



November 18, 2010

To Whom It May Concern,

Please be advised that on August 10, 2010 the Merced City School District Board of Education adopted a resolution to decrease Level 2 Developer Fees for residential construction to \$2.70 square foot of construction. This amount is the total for Level 1 Developer Fees and Level 2 Developer Fees. The former total was \$2.78 per square foot.

When combined with the Level 1 Developer Fee of \$0.99 per square foot of the Merced Union High School District, the total amount to be collected by the City of Merced Building Department or collected by MUHSD for county projects will be \$3.69 per square foot.

The Level 2 fees are effective immediately. See the following table to determine the amount of Developer Fees in effect by date.

Residential Developer Fees Implementation Schedule		
Fee Description	2010	Amount to Merced City School District
Level 1 Fees (SAB, 1/27/10)	\$2.97*	\$1.98
Level 2 Fees (8/11/2009)	\$0.72	\$0.72
Total Level 1 & Level 2 Fees	\$3.69	\$2.70

* One-third to MUHSD and two-thirds to MCSD

The State Allocation Board approved on January 27, 2010 to maintain developer fee levels of \$2.97 for Residential Development and \$0.47 for Commercial Development.

Commercial/Industrial Developer Fee Implementation Schedule		
		Amount to Merced City School District
Level 1 Commercial Fees	\$0.47*	\$0.31*

Note: There are not commercial/Industrial Level 2 Developer Fees

* One-third to MUHSD and two-thirds to MCSD

Please contact Kraig Magnussen, Chief Operations Officer, with any questions regarding Developer Fees.

Sincerely,

Kraig Magnussen
Chief Operations Officer

Copies: Correspondence File

MERCED CITY SCHOOL DISTRICT

TO: RoseMary Parga Duran, Ed.D.
District Superintendent

FROM: Greg Spicer
Associate Superintendent, Administrative Services

DATE: December 14, 2010

SUBJECT: **NEW BOARD POLICY IN THE 5000 SERIES (STUDENTS) -
FIRST AND SECOND READING**

Recommendation

It is recommended that the Board of Education accept the new Board Policy to the 5000 Series of Board Policies for a first and second reading.

Background

It has been a past practice for all series of Board Policies to be reviewed and revised as needed on an annual basis. The addition and revision of Board Policies becomes necessary due to changes in the education code, legislative actions, legal decisions and local situations.

MERCED CITY SCHOOL DISTRICT

The 5000 series deals with student issues. Within the series, the Office of the Superintendent is recommending the acceptance of a new Board Policy.

Policy Number	Title	Recommendation
5118	Open Enrollment Act Transfers	Acceptance of new policy

MERCED CITY SCHOOL DISTRICT

Board Policy

Students BP 5118(a)

OPEN ENROLLMENT ACT TRANSFERS

The Governing Board desires to offer enrollment options in order to provide children with opportunities for academic achievement and meet their diverse needs. Such options shall also be provided to children who reside within another district's boundaries in accordance with law, Board policy, and administrative regulation.

Whenever a student is attending a district school on the Open Enrollment List as identified by the Superintendent of Public Instruction, he/she may transfer to another school within or outside of the district, as long as the school to which he/she is transferring has a higher Academic Performance Index. (Education Code 48354, 48356)

A parent/guardian whose child is attending a district school on the Open Enrollment List and who wishes to have his/her child attend another school within the district shall apply for enrollment using BP/AR 5116.1 - Intradistrict Open Enrollment.

(cf. 5116.1 - Intradistrict Open Enrollment)
(cf. 5117 - Interdistrict Attendance)

In order to ensure that priorities for enrollment in district schools are implemented in accordance with law, the Board hereby waives the January 1 deadline in Education Code 48354 for all applications for transfer from nonresident parents/guardians of children attending a school on the Open Enrollment List in another district. Transfer applications shall be submitted between January 15 and March 1 of the preceding school year for which the transfer is requested.

(cf. 5111.1 - District Residency)
(cf. 5111.12 - Residency Based on Parent/Guardian Employment)

Standards for Rejection of Transfer Applications

The Board may deny a transfer out of or into the district upon a determination by the Board that the transfer would negatively impact a court-ordered or voluntary desegregation plan in accordance with Education Code 48355.

Pursuant to Education Code 48356, the Board has adopted the following standards for acceptance and rejection of transfer applications submitted by a parent/guardian of a student attending a school in another district (or Intradistrict Open Enrollment) on the Open Enrollment List. The Superintendent or designee shall apply these standards in accordance

MERCED CITY SCHOOL DISTRICT

BP 5118(b)

OPEN ENROLLMENT ACT TRANSFERS (continued)

with Board policy and administrative regulation and shall ensure that the standards are applied uniformly and consistently.

As applicable, the Superintendent or designee may deny a transfer application under any of the following circumstances:

1. Upon a determination that approval of the transfer application would negatively impact the capacity of a program, class, grade level, or school building, including:
 - a. The class or grade level exceeding the district's limits pursuant to the state Class Size Reduction Program or Class Size Maximums (E.C. 41376, E.C. 41378)
 - b. The site, classroom, or program exceeding the maximum student-teacher ratio specified in the district's collective bargaining agreement
 - c. The site or classroom exceeding the physical capacity of the facility pursuant to the district's facilities master plan or other facility planning document
 - d. The class or grade level exceeding capacity pursuant items #a-#c above in subsequent years as the student advances to other grade levels at the school

(cf. 6151 - Class Size)

(cf. 7110 - Facilities Master Plan)

2. Upon a determination that approval of the transfer application would have an adverse financial impact on the district, including:
 - a. The hiring of additional certificated or classified staff
 - b. The operation of additional classrooms or instructional facilities
 - c. Expenses incurred by the district that would not be covered by the apportionment of funds received from the state resulting in a reduction of the resources available to resident students
3. Upon a determination that approval of the transfer application would have an adverse impact on the safe learning environment of the district/site by accepting a student having a history of disruptive or violent behavior.

MERCED CITY SCHOOL DISTRICT

BP 5118(c)

OPEN ENROLLMENT ACT TRANSFERS (continued)

Appeal Process for Denials of Transfer Applications

A parent/guardian may appeal the district's denial of a transfer application to the Board by filing a written request of appeal with the Superintendent or designee within 10 days of the receipt of the written notification of denial. In addition, a parent/guardian who believes he/she has been subject to discrimination may file an appeal using the district's Uniform Complaint Procedures.

(cf. 1312.3 - Uniform Complaint Procedures)

The Board shall schedule an appeal hearing as soon as practicable at a regular or special meeting of the Board. At the hearing, the parent/guardian shall have the right to present oral or written evidence, rebut district evidence, and question any district witnesses. Unless the parent/guardian requests that the hearing be held in open session, the hearing shall be held in closed session in order to protect the privacy of students in accordance with law.

(cf. 9321- Closed Session Purposes and Agendas)

The Board shall make its decision by the next regularly scheduled meeting and shall send its decision to all concerned parties. The Board's decision shall be final.

Program Evaluation

The Superintendent or designee shall collect data regarding the number of students who transfer out of the district pursuant to the Open Enrollment Act. He/she also shall collect data regarding the number of students who apply to transfer into the district, the number of requests granted, denied, or withdrawn, and the district schools and programs receiving applications.

When the Superintendent or designee anticipates that a particular school will receive a large number of transfer applications, he/she shall study the enrollment pattern at that school in order to anticipate future resident enrollment at the school and at the district schools into which those students would normally matriculate.

The Superintendent or designee shall regularly report to the Board regarding the implementation of this program.

Legal Reference: (see next page)

MERCED CITY SCHOOL DISTRICT

BP 5118(d)

OPEN ENROLLMENT ACT TRANSFERS (continued)

Legal Reference:

EDUCATION CODE

200 Prohibition of discrimination

35160.5 District policies, rules, and regulations

46600-46611 Interdistrict attendance agreements

48200 Compulsory attendance

48204 Residency requirements for school attendance

48300-48316 Student attendance alternatives, school district of choice program

48350-48361 Open Enrollment Act

48915 Expulsion; particular circumstances

48915.1 Expelled individuals: enrollment in another district

52317 Regional Occupational Center/Program, enrollment of students, interdistrict attendance

FAMILY CODE

6500-6552 Caregivers

UNITED STATES CODE, TITLE 20

6316 Transfers from program improvement schools

CODE OF REGULATIONS, TITLE 5

4700-4703 Open Enrollment Act

CODE OF FEDERAL REGULATIONS, TITLE 34

200.36 Dissemination of information

200.37 Notice of program improvement status, option to transfer

200.39 Program improvement, transfer option

200.42 Corrective action, transfer option

200.43 Restructuring, transfer option

200.44 Public school choice, program improvement schools

ATTORNEY GENERAL OPINIONS

87 Ops.Cal.Atty.Gen. 132 (2004)

84 Ops.Cal.Atty.Gen. 198 (2001)

COURT DECISIONS

Crawford v. Huntington Beach Union High School District, (2002) 98 Cal.App.4th 1275

Management Resources:

WEB SITES

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

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

Policy Adopted:

FISCAL SERVICES

MERCED CITY SCHOOL DISTRICT

TO: RoseMary P. Duran, Ed.D.
District Superintendent

FROM: Greg Spicer
Associate Superintendent

PREPARED BY: Kris Cavallero
Chief Fiscal Officer

DATE: December 14, 2010

SUBJECT: **2010-11 K-3 CLASS SIZE REDUCTION OPERATIONS
APPLICATIONS**

Recommendation

It is recommended that the Board of Education approve the 2010-11 Operations Applications and Certifications for K-3 Class Size Reduction.

Background

The attached applications use calculations for planning purposes and to continue the flow of funds. Actual funding will be based on our enrollment data as reported on the J-7CSR that will be submitted to the State in the spring of 2011. A separate application is required for Fremont Charter School. The K-3 per pupil allowance has remained the same as in 2008-09 at \$1,071. However, the district will incur a 20% penalty for staffing at 24.94 in K-3 reducing funding to \$856.80 per pupil.

Total estimated revenue to the district is \$3,289,041 and \$239,904 to Fremont Charter School, for a total of \$3,528,945.

Fiscal Impact

Revenue: \$3,528,945

Expenditure: None

Budget Category: Fund 01 – General Fund, Resource 0000 - Undesignated
Fund 09 - Charter School Fund, Resource 0000 – Undesignated

2010-11 Operations Application K-3 Class Size Reduction Program

County and District Code

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Charter School Code*

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County Merced

District Merced City School District

Charter School* _____

*For use only by charter schools applying independent of their authorizing entity. Do not submit a separate application for charter schools that were included in their authorizing entity's 2008-09 or 2009-10 applications.

Contact Person Kris Cavallero

Title Chief Fiscal Officer

Address 444 West 23rd Street

City, Zip Code Merced, CA 95340

Telephone (209) 385-6643 Ext. _____

E-mail Address kcavallero@mcsd.k12.ca.us

Certifications

As a condition of applying for and receiving funds under the Kindergarten and Grades One through Three Class Size Reduction (K-3 CSR) Program, commencing with California *Education Code (EC)* Section 52120, the Governing Board of the above named school district or charter school (applicant) certifies that the statements below are true and accurate, and are evidenced by a Board Resolution or entry in the Board meeting minutes. Please do not submit the Resolution or minutes to the California Department of Education (CDE):

1. The number of classes participating in Option One and Option Two is identified and the total number of classes does not exceed the total number of classes identified on the 2008-09 Operations Application. [EC Section 52123(a), 52124.3(b), Title 5 *California Code of Regulations* Section 15103]
2. The pupil counts reported do not include special education pupils enrolled in special day classes full time, pupils enrolled in independent study, or charter school pupils enrolled in a home study program. [EC Section 52123(b)]
3. A certificated teacher has been hired by the applicant and is providing direct instructional services to each class participating in the K-3 CSR Program. [EC Section 52123(c)]
4. The applicant will provide a staff development program for any teacher who will participate for the first time in the K-3 CSR Program as specified in Certification #3. Appropriate training to maximize the education advantages of class size reduction will be provided to such teachers. This training shall include, but not be limited to, methods for providing each of the following: (1) individualized instruction, (2) effective teaching, including classroom management in smaller classes, (3) identifying and responding to pupil needs, and (4) opportunities to build on the individual strengths of pupils. [EC sections 52123(d), 52127]
5. The applicant will collect and maintain data required by the State Superintendent of Public Instruction for evaluation of the K-3 CSR Program. The data shall include, but not be limited to, individual test scores or other records of pupil achievement. Any data collected will be protected in a manner that will not permit the personal identification of any pupil or parent. [EC section 52123(e)]
6. Each class participating in the K-3 CSR Program is housed in either a separate, self-contained classroom or the space provided for each participating class for each grade level at that schoolsite is of a square footage per pupil enrolled in each class that is not less than the average square footage per pupil enrolled in those grade levels at that schoolsite in the 1995-96 school year. [EC section 52123(f)]
7. Priority for reducing class size or claiming reduced funding for classes exceeding 20.44 pupils is in accordance with the following grade level implementation requirements at each schoolsite:
 - If only one grade level is reduced/claimed, the grade level will be 1st grade.
 - If two grade levels are reduced/claimed, the grade levels will be 1st and 2nd grades.
 - If three or four grade levels are reduced/claimed, the grade levels will be 1st and 2nd and then any combination of kindergarten and/or 3rd grade.
8. The K-3 CSR Program has been implemented in the current year. A district is considered to have implemented the program even if it claims reduced funding for all eligible classes.
9. **The applicant will submit final enrollment counts on the Form J-7CSR to the CDE by May 13, 2011.**

Signature

I hereby certify that, to the best of my knowledge, this application is true and correct and is in compliance with state law and regulations of the California Department of Education and the State Board of Education. The Governing Board of the above named school district or charter school has authorized me to sign this application on its behalf.

Signature of District Superintendent or
Charter School Chief Administrative Officer

RoseMary P. Duran, Ed.D.
Printed Name

Date

2010-11 Operations Application K-3 Class Size Reduction Program

County and District Code

2	4	6	5	7	7	1
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Charter School Code*

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County Merced

District Merced City School District

Charter School* _____

*For use only by charter schools applying independent of their authorizing entity. Do not submit a separate application for charter schools that were included in their authorizing entity's 2008-09 or 2009-10 applications.

Intended Level of Program Participation in 2010-11

Check the appropriate box below and, as noted, submit the required pages of the Operations Application to the CDE. This information is for planning purposes and to continue the flow of funds. The calculation of final entitlements will be based on actual enrollment data submitted on the Form J-7CSR. For more information, please see the Application Instructions.

1. The district/charter school intends to participate in the 2010-11 K-3 CSR Program at the same level (number and size of classes) as reported on the 2009-10 Form J-7CSR. The February 2011 apportionment will therefore be based on the district/charter school's 2009-10 final entitlement. **If this box is checked, complete and submit only pages 1 and 2 of this application to the CDE.**

2. The district/charter school intends to participate in the 2010-11 K-3 CSR Program at a higher or lower level than what was claimed on the 2009-10 Form J-7CSR (but capped at the number of classes reported on the 2008-09 Operations Application). The February 2011 apportionment will therefore be based on the information reported on page 3 of this application. **If this box is checked, complete and submit pages 1 through 3 of this application to the CDE.**

3. The district/charter school does not intend to participate in the 2010-11 K-3 CSR Program at either full or reduced funding. **If this box is checked, complete and submit only this page of the application to the CDE. A signature below is necessary only if the district/charter school is not participating in the 2010-11 K-3 CSR Program.**

RoseMary P. Duran, Ed.D.

Signature of District Superintendent or
Charter School Chief Administrative Officer

Printed Name

Date

Mail the required pages of this application by January 6, 2011 (postmark) to:

Rebecca Lee ~ CDE, School Fiscal Services Division ~ 1430 N Street, Suite 3800 ~ Sacramento, CA 95814

2010-11 Operations Application K-3 Class Size Reduction Program

County and District Code

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Charter School Code*

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County Merced

District Merced City School District

Charter School* _____

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Calculation of Provisional Funding for 2010-11 (February 2011 payment)

These calculations are for planning purposes and to continue the flow of funds. The calculation of final entitlements will be based on actual enrollment data submitted on the Form J-7CSR.

	1 Class Size	2 Number of Classes	3 Number of Enrolled Pupils	4 2010-11 Funding Level	5 Estimated Allocation
Option One					
a	20.44 pupils or fewer	17	319	\$1,071	\$341,649
b	20.45 to 21.44			95%	\$0
c	21.45 to 22.44			90%	\$0
d	22.45 to 22.94			85%	\$0
e	22.95 to 24.94	172	4,104	80%	\$2,947,392
f	24.95 pupils or greater			70%	\$0
g	Subtotal, Option 1	189	4,423		\$3,289,041
Option Two					
h	20.44 pupils or fewer			\$535	\$0
i	20.45 to 21.44			95%	\$0
j	21.45 to 22.44			90%	\$0
k	22.45 to 22.94			85%	\$0
l	22.95 to 24.94			80%	\$0
m	24.95 pupils or greater			70%	\$0
n	Subtotal, Option 2	0	0		\$0
Grand Totals*					
o	Option 1 + Option 2	189	4,423		\$3,289,041

*The total number of classes reported on the application may not exceed the total number of classes reported on the 2008-09 Operations Application.

**Complete this page only if box 2 on page 2 was checked. Mail the entire
3-page application by January 6, 2011 (postmark) to:**

Rebecca Lee ~ CDE, School Fiscal Services Division ~ 1430 N Street, Suite 3800 ~ Sacramento, CA 95814

2010-11 Operations Application K-3 Class Size Reduction Program

County and District Code					Charter School Code*								
2	4	6	5	7	7	1	6	0	2	5	6	5	4

County Merced

District Merced City School District

Charter School* John C. Fremont

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Contact Person Kris Cavallero

Title Chief Fiscal Officer

Address 444 West 23rd Street

City, Zip Code Merced, CA 95340

Telephone (209) 385-6643 Ext. _____

E-mail Address kcavallero@mcsd.k12.ca.us

Certifications

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Signature of District Superintendent or
Charter School Chief Administrative Officer

RoseMary P. Duran, Ed.D.
Printed Name

Date

2010-11 Operations Application K-3 Class Size Reduction Program

County and District Code

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Charter School Code*

6	0	2	5	6	5	4
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County Merced

District Merced City School District

Charter School* John C. Fremont

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RoseMary P. Duran, Ed.D.

Signature of District Superintendent or
Charter School Chief Administrative Officer

Printed Name

Date

Mail the required pages of this application by January 6, 2011 (postmark) to:

Rebecca Lee ~ CDE, School Fiscal Services Division ~ 1430 N Street, Suite 3800 ~ Sacramento, CA 95814

2010-11 Operations Application K-3 Class Size Reduction Program

County and District Code

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Charter School Code*

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County Merced

District Merced City School District

Charter School* John C. Fremont

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Option One					
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c	21.45 to 22.44			90%	\$0
d	22.45 to 22.94			85%	\$0
e	22.95 to 24.94	14	331	80%	\$239,904
f	24.95 pupils or greater			70%	\$0
g	Subtotal, Option 1	14	331		\$239,904
Option Two					
h	20.44 pupils or fewer			\$535	\$0
i	20.45 to 21.44			95%	\$0
j	21.45 to 22.44			90%	\$0
k	22.45 to 22.94			85%	\$0
l	22.95 to 24.94			80%	\$0
m	24.95 pupils or greater			70%	\$0
n	Subtotal, Option 2	0	0		\$0
o	Grand Totals* Option 1 + Option 2	14	331		\$239,904

*The total number of classes reported on the application may not exceed the total number of classes reported on the 2008-09 Operations Application.

Complete this page only if box 2 on page 2 was checked. Mail the entire 3-page application by January 6, 2011 (postmark) to:

Rebecca Lee ~ CDE, School Fiscal Services Division ~ 1430 N Street, Suite 3800 ~ Sacramento, CA 95814

MERCED CITY SCHOOL DISTRICT

TO: RoseMary P. Duran, Ed.D.
District Superintendent

FROM: Greg Spicer
Associate Superintendent

PREPARED BY: Kris Cavallero
Chief Fiscal Officer

DATE: December 14, 2010

SUBJECT: **NORTHERN CALIFORNIA REGIONAL LIABILITY EXCESS
FUND (NCR) REBATE**

Recommendation

It is recommended that the Board of Education accept the return of net assets in the amount of \$23,395 from Northern California Regional (NCR) Liability Excess Fund.

Background

At their October 14, 2010 meeting, the NCR Board of Directors approved a return of contributions in the amount of \$2,394,933 for distribution to participating members for the 1997/98 – 1999/00 program years. Merced City School District's participation in those program years will result in a return of \$23,395.

Fiscal Impact

Revenue: \$23,395

Expenditure:

Budget Category: Fund 69 – Self Insurance, Resource 9404 – Property/Liability



Northern California Regional Liability Excess Fund

2355 Crenshaw Blvd, Suite 200, Torrance, CA 90501

(310) 212-3344, Fax (310) 212-0300

President:

Ken Hochnadel
Tulare County
Schools Self
Insurance
Authority

Vice President:

Kurt Banks
Fremont Unified
School District

Secretary:

William Tucker
Organization of
Self-Insured
Schools

Treasurer:

Chris Learned
East Bay Schools
Insurance Group

November 16, 2010

Darrell Cherf, President
Merced City School District
3923 Nicklaus Ct.
Merced, CA 95340

Re: Northern California ReLiEF (NCR) Rebates

Dear Mr. Cherf:

At the October 14, 2010 meeting of the NCR Board of Directors, a return of contribution in the amount of \$2,394,933 was approved for distribution to participating members for the 1997/98 – 1999/00 program years. Your agency's pro-rata participation in those program years result in a return of \$23,395 to your agency.

After consideration of all rebates to your agency, the net cost of your participation in ReLiEF was only 72.09% of the original contribution. While agencies often make decisions based on initial price, we hope this will provide you with a better appreciation of the value that ReLiEF provides to California public schools.

NCR requests this letter be placed on the next Merced City School District Board of Directors agenda for formal acceptance and signature. Upon receipt of the signed correspondence a check will be issued to the district.

We would like to thank you again for your past participation and contributions to the tremendous success of our program. We wish you all the best and hope we might have the opportunity to serve you again in the future.

Sincerely,

Ken Hochnadel, President
Northern California ReLiEF

cc: RoseMary Parga Duran, Superintendent
Dennis Williams, Keenan & Associates
Tom Russo, Keenan & Associates



MERCED CITY SCHOOL DISTRICT

TO: RoseMary P. Duran, Ed.D.
District Superintendent

FROM: Greg Spicer
Associate Superintendent

PREPARED BY: Kris Cavallero
Chief Fiscal Officer

DATE: December 14, 2010

SUBJECT: **2010/11 FIRST INTERIM REPORT AND
ADOPTION OF RESOLUTION NO. F-23-2010/11**

Recommendation

It is recommended that the Board of Education approve the 2010/11 First Interim Certification and adopt Resolution No. F-23-2010/11 approving the revisions to the 2010/11 budgets.

Background

Education Code requires districts to perform formal reviews and certify to their fiscal solvency twice a year. The purpose is to review our financial condition, inform the Board of Education and the public on the status of the District budget, determine any needed revisions and determine if enough cash will be available to meet expenditures and obligations.

The required reports include a summary report of the General Fund, a General Fund narrative and a narrative of all other funds, cash analysis, the criteria and standards for the review of the financial data, and certification of the Interim Report.

GENERAL FUND

Revenue Limit

No change in ADA projections. Projected funding is based on prior year 2009-10 ADA of 9,851. Preliminary CBEDS numbers show a drop in enrollment from last year of 23 students. Current enrollment continues to drop. As of 11/26/10, District enrollment was down to 10,759; hence, it would not be prudent at this time to expect any increase in funding.

The final approved State Budget reduced the deficit factor to account for the negative COLA of .39%, and also eliminated the \$250/ADA reduction proposed in the May Revise. The Revenue Limit has been increased to reflect these changes; however, at this time, due to the instability of the State budget, this amount has been designated in the reserve rather than budgeted in

MERCED CITY SCHOOL DISTRICT

expenditure accounts. Other adjustments to Property Tax, PERS Reduction and In Lieu Property Tax to the Charter School net an increase to the Revenue Limit of +\$2,588,275.

Federal

Federal revenues have been revised to include deferred revenues and restricted carryovers from 2009-10. Other notable increases include the new Federal Jobs Funds of \$1,720,940 and a new Education Technology grant of \$95,001.

Net increase in federal revenue of +\$2,301,811.

State

State revenues have been revised to include deferred revenues and restricted carryovers from 2009-10. In addition, revenue revisions include an increase in the K-3 CSR allocation and flexed programs.

Net increase in state revenue of +\$292,129.

Local Revenue

Local revenues have been revised to include current year revenue and carry over of \$32,502 for Gear Up grants, and \$11,210 for local donations and projects, and a decrease in contributions to restricted programs.

Net increase in local revenue of \$86,156.

Total increase in revenue of +\$5,268,371.

Expenditures

Salaries and benefits have been adjusted to account for personnel movement, step and column movement for certificated staff, and increases in substitute and overtime accounts. At this time, the Federal Jobs funds have been budgeted into a salary and benefit account as they cannot be left in the ending balance.

Materials, supplies and services have been adjusted for site and categorical budgets. The majority of the increase in services is in Title I for Supplemental Educational Services providers. Funds not expected to be spent this fiscal year have been left in the ending balance and will not be budgeted until/unless needed.

Capital outlay has been increased to cover new playground equipment for Peterson Preschool.

Other Outgo increased \$146,293 due to increased costs for Special Education Transportation. No change to Direct/Indirect Support or Transfers Out at this time.

Total increase in budgeted expenditures of +\$3,182,009.

MERCED CITY SCHOOL DISTRICT

Ending Balance

Current revenue and expenditure allocations reflect an ending balance of \$9,480,359. This includes the statutory reserve for the stores account of \$107,031, revolving cash account of \$2,550, restricted carryover of \$1,326,692, designated carryover of \$5,522,192 and the mandatory 3% reserve for economic uncertainties of \$2,521,894. This leaves an unallocated amount of \$0 in unrestricted funds.

Negotiations

Negotiations have been settled with MCTA for the 2010-11 fiscal year, but not with CSEA. Currently, no funds have been set aside for any kind of settlement.

Cash

A cash flow projection through June 30, 2011 reflects the District will very possibly NOT have a positive cash flow throughout the 2010-11 fiscal year. If that is the case, the District will have to borrow from the Bond Fund (Fund 21), or other funds, to meet its General Fund obligations due to the cash deferrals imposed by the State.

Fiscal Impact

Overall decrease in the projected fund balance of <\$4,544,916> as the District committed the balance of the American Recovery and Reinvestment Act (ARRA) and State Fiscal Stabilization Funds (SFSF) to maintaining staffing and programs for the 2010-11 fiscal year.

MULTI-YEAR PROJECTION 2011-2013

Revenue and expenditure assumptions for the Multi-Year Projection are based on estimates provided in the Governor's budget, School Services of California and Merced County Office of Education.

We are projecting a fairly stable enrollment for the next three years. As we progress with the Budget Development process, these numbers may be adjusted after we get the new enrollment projections in January.

At this time, the 2011-12 budget is, for the most part, a "roll-over" budget. Positions currently funded with ARRA and SFSF funds have been moved into the appropriate unrestricted or restricted resources, which results in increased contributions to these programs. The budget **does not** include any projected cost increases other than step and column movement, Golden Handshake, and utility increases. No new programs or one-time expenses are included. With that said, the projections reflect the District will have a positive ending balance through the 2011-2012 fiscal year.

Relaxed penalties for Class Size Reduction no longer exist after the 2011-12 fiscal year. Therefore, we are assuming that the District will have to go off Class Size Reduction in 2012-13,

MERCED CITY SCHOOL DISTRICT

resulting in a loss of 32 FTE certificated staff. Otherwise, the 2012-13 budget is also a “roll-over” budget with the same adjustments included as in 2011-12.

OTHER FUNDS

Charter School – Fund 09

<\$346,315>

Revision to revenue in the amount of +\$97,589 to reflect increases in the block grants and lottery. Salaries and benefits have been adjusted for personnel movement. Other expenditure accounts have been revised to allow for purchase of needed instructional materials.

Net decrease to fund balance of <\$346,315>.

Child Development – Fund 12

\$0

Revision to revenue and expenditure accounts in the amount of \$63,842 due to receipt of Federal Renovation Grants and the new First Five Grant. Salaries and benefits have been adjusted for personnel movement. Books and supplies have been decreased to cover increase in salary and benefits. Other expenditure accounts have been revised to include the federal renovation projects and increase in indirect costs.

No change to fund balance.

Cafeteria Fund – Fund 13

<\$416,211>

Local Revenue has been increased \$5,079. Expenditure accounts have been revised to include this new revenue, refrigerated trucks and equipment purchases, and to reflect current needs.

Net decrease to fund balance of <\$416,211>.

Deferred Maintenance – Fund 14

\$0

No revision at this time.

No change in fund balance.

Special Reserve – Other than Capital Outlay – Fund 17

+\$2,000

Revenue has been increased to account for additional interest earnings.

Net increase to fund balance of +\$2,000.

Bond Proceeds – Fund 21

<\$2,903,925>

No change to revenue. Expenditures have been revised to include the Rivera Gym project.

MERCED CITY SCHOOL DISTRICT

Net decrease to fund balance <\$2,903,925>.

Capital Facilities – Fund 25
+\$42,000

No revision at this time.
Net increase in fund balance +\$42,000.

State School Building Fund – Fund 35
<\$162,333>

Revenue has been increased \$15 for interest earnings. Expenditure accounts have been revised to cover the completion of the Voice Over Internet Protocol (VOIP) project at several schools.
Net decrease to fund balance <\$162,333>.

Special Reserve #1 – Capital Outlay – Fund 41
+\$3,000

Revenue and expenditure accounts have been revised to cover the completion of the VOIP project at several schools and the transfer in from Fund 35 for QZAB.
Net increase to fund balance +\$3,000.

Special Reserve #2 – Technology – Fund 42
+\$82,000

No revision at this time.
Net increase to fund balance +\$82,000.

Self Insurance – Income Protection – Fund 68
+\$30,540

No revision to revenue. Benefits have been revised due to rate changes.
Net increase to fund balance +\$30,540.

Self Insurance – Property/Liability – Fund 69
<\$97,716>

Local Revenue has been increased to cover the annual Property and Liability Insurance premium. Benefits have been adjusted due to rate changes. Other expenditure accounts have been revised to cover the insurance premium and to reflect current needs.
Net decrease to fund balance <\$97,716>.

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Self Insurance – Health - Fund 70
+\$65,599

Minor revision to revenue due to increased interest earnings. Expenditure accounts have been revised to cover benefit rate changes and to meet current needs.
Net increase to fund balance +\$65,599.

MERCED CITY SCHOOL DISTRICT

RESOLUTION NO. F-23-2010/11

AUTHORIZING REVISIONS IN 2010/11 INCOME AND EXPENDITURE BUDGETS

WHEREAS, subsequent to the adoption of the 2010/11 Budgets of the Merced City School District, it has been determined there is a need to revise revenue and expenditure budgets.

WHEREAS, changes are required in several funds.

THEREFORE BE IT RESOLVED, that changes in the 2010/11 income and expenditure budgets for the Merced City School District be revised in the amounts shown on the attached sheets.

PASSED AND ADOPTED by the Board of Education on December 14, 2010 by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

I, RoseMary P. Duran, Secretary, Board of Education of the Merced City School District, do hereby certify that the foregoing is a full, true and correct copy of a Resolution passed and adopted by the Board at a regularly called and conducted meeting held on said date.

RoseMary P. Duran, Secretary, Board of Education
of the Merced City School District
Merced County, State of California

**MERCED CITY SCHOOL DISTRICT
2010/11 BUDGET SUMMARY
REVISION**

	2010/11		Changes
	APPROVED	2010/11 1ST INTERIM	
REVENUE	7/1/2010	12/14/2010	
Revenue Limit			
Federal Revenues	46,944,245	49,532,520	2,588,275
Other State Revenues	11,084,532	13,386,343	2,301,811
Other Local Revenues	14,954,904	15,247,033	292,129
	1,266,179	1,352,335	86,156
TOTALS:	74,249,860	79,518,231	5,268,371
Total increase/decrease in revenue			
EXPENDITURES			
Certificated Salaries	42,681,630	43,753,618	1,071,988
Classified Salaries	10,596,336	10,505,008	(91,328)
Employee Benefits	17,558,352	17,614,847	56,495
Books & Supplies	3,700,386	3,953,043	252,657
Services /Oper. Exp	5,432,342	7,170,191	1,737,849
Capital Outlay		8,055	8,055
Other Outgo	789,007	935,300	146,293
Direct Support/indirect	(229,463)	(229,463)	-
Transfers Out	352,548	352,548	-
TOTAL EXPENSE	80,881,138	84,063,147	3,182,009
Total increase/decrease in expenditures			
IN/DEC	(6,631,278)	(4,544,916)	
BEGINNING BAL.	12,123,582	14,025,275	
ENDING BALANCE	5,492,304	9,480,359	
COMPONENTS OF ENDING BALANCE			
Revolving cash fund		2,550	
Stores Inventory		107,031	
Reserve for economic uncertainties @ 3.0%		2,521,894	
Restricted Carryover		1,326,692	
Designated Carryover		5,522,192	
Unrestricted Discretionary		0	
Total Ending Balance		9,480,359	

**MERCED CITY SCHOOL DISTRICT
2010/11 BUDGET SUMMARY
REVISION**

<u>Restricted Carryover</u>	
5640 Medi-Cal Billing	116,711
6300 Lottery Prop 20	724,502
7091 EIA/LEP	252,486
8150 Routine Repair & Maintenance	232,992
Total	<u>1,326,692</u>

<u>Designated Carryover</u>	
0000 RDA Collection-Facilities	103,838
0000 State Adopted Budget RL Increase	2,594,145
0000 Fiscal Stabilization Reserve	1,483,555
0216 Media Sales	13,895
0500 Special Ed Mandate	219,494
0801 Instructional Materials	386,123
0803 Prof/Staff Development	10,091
1100 District Lottery	571,115
9418 Safety Credit	645
9419 Misc. Local Grant	908
9471 Reserve for Retiree Benefits	138,383
Total	<u>5,522,192</u>

MERCED CITY SCHOOL DISTRICT

2010/11 PROJECTED BUDGETS - ALL FUNDS

NAME	ACTUAL 7/1/2010 BEG BAL	REV	EXP	SURPLUS/ DEFICIT	PROJECTED 6/30/2011 END BAL
GEN FUND	14,025,275	79,518,231	84,063,147	-4,544,916	9,480,359
FREMONT CHARTER	1,325,709	3,069,564	3,415,879	-346,315	979,394
Special Revenue Funds					
CHILD DEV	539,738	3,785,896	3,785,896	0	539,738
CAFETERIA	3,007,796	5,602,963	6,019,174	-416,211	2,591,585
DEF MAINT	538,138	357,548	357,548	0	538,138
EQUIPMENT	169,981	2,000	0	2,000	171,981
Bond Proceeds					
BOND PROCEEDS	9,286,228	100,000	3,003,925	-2,903,925	6,382,303
Capital Facilities Funds					
DEV FEES	214,527	76,500	34,500	42,000	256,527
State School Building Funds					
SCHOOL FACILITIES	1,306,882	1,510,015	1,672,348	-162,333	1,144,549
Special Reserve Funds					
CAPITAL OUTLAY	1,158,907	1,109,662	1,106,662	3,000	1,161,907
TECHNLGY	227,590	82,000	0	82,000	309,590
Bond Interest & Redemption					
BOND INTEREST	1,285,503	0	0	0	1,285,503
Self-Insurance Funds					
INC PROT	400,211	144,000	113,460	30,540	430,751
PROP. LIABILITY	533,063	387,053	484,769	-97,716	435,347
HEALTH	516,780	1,526,296	1,460,697	65,599	582,379
COMBINED TOTALS	34,536,328	97,271,728	105,518,005	-8,246,277	26,290,051