

**AGENDA OF THE REGULAR MEETING
BOARD OF TRUSTEES
MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
325 S. Peck Ave., Manhattan Beach, CA 90266**

**June 2, 2010
5:30 PM Closed Session
6:30 PM Regular Open Session**

In compliance with the Americans with Disabilities Act, for those requiring special assistance to access the Board meeting room, to access written documents being discussed at the Board meeting, or to otherwise participate at Board meetings, please contact the Board Secretary, Nancy Bogart, at 310-318-7345, ext. 5902, for assistance. Notification at least 48 hours before the meeting will enable the District to make reasonable arrangements to ensure accessibility to the Board meeting and to provide any required accommodations, auxiliary aids or services.

Writings related to a Board meeting agenda item that are distributed to at least a majority of Board members less than 72 hours before a noticed meeting, and that are public records not otherwise exempt from disclosure, will be available for inspection at the District office, 325 S. Peck Avenue, Manhattan Beach, CA 90266. Such writings may also be available on the District's website. (Government Code §54957.5 (b)).

A. CALL TO ORDER (5 minutes)

1. Call to Order (5:30)
2. Recess to Closed Session
3. Reconvene Open Session (6:30)
4. Pledge of Allegiance
5. Report from Closed Session
6. Approval of Agenda

B. ANNOUNCEMENTS AND COMMUNICATIONS (60 Minutes)

1. Public Comment Regarding Agenda
The purpose of this section is to permit any person in the audience to make a statement to the Board of Trustees on items on the Agenda. Persons are limited to three (3) minutes for their communication, unless the Board deems otherwise. The President will conclude the Public Comment after a reasonable length of time and proceed with the Agenda. The Board may, at its discretion, permit statements on items not on the Agenda, but pertaining to the school district, if appropriate and not an impediment to the efficiency and orderliness of the meeting; no action shall be taken on any item not appearing on the Agenda.
2. The Mira Costa High School Chamber Ensemble will perform.
3. PTA Reflections Art Contest winners will be recognized by the Board.
4. PTA Presidents will be recognized by the Board.
5. Janet Allen, South Bay Association School Psychologist of the Year, will be recognized.
6. Members of the Executive Coaching Cadre will be recognized.
7. Linda Lee, Pre-School Classified Teacher of the Year will be recognized.

8. The following Manhattan Beach Unified School District's 2010 Classified Employees of the Year will be recognized:

Tracy Angle – Accounting Specialist, Special Ed., DO
Paula Sodeika – Health Assistant, Grand View
Jack Moore – School Operations Team Leader, Meadows
Julie Jones – Library Media Specialist, Pacific
Debbie Snook – School Office Manager, Pennekamp
Anthony Henry – EDP Teacher, Robinson
Roxana Virgen – Special Ed. Instructional Assistant, MBMS
Peggy Froseth – Staff Secretary, Guidance Office, MCHS
James Warner – Food Service Assistant, Preschool
Raul Montoya – School Operations Team Leader
Malisa Ojeda – IA Special Ed. IBI

9. The District's Classified Employee of the Year will be recognized.
10. Jeff Whelan and Sarah Keasler will be recognized for their service to the District as Student Board Members.
11. Board Member Announcements
12. Jeff Whalen and Sarah Keasler, Student Board Members, will discuss student topics at Mira Costa High School, elementary schools, and events and activities in the District. Jina Stanfill will report on activities at Manhattan Beach Middle School.

C. PRESENTATION/DISCUSSION ITEMS (30 Minutes)

Members of the audience may request to speak on any item(s), prior to discussion by the Board. Speakers will have one (1) minute to address the Board.

- Rohrer** 1. Final Report of the Superintendent's Fiscal Advisory Committee (Edie Babbe and Lynn Johnson will present on behalf of the committee)
- Whelan** 2. Report from the Committee on Naming of Facilities
- Seaton** 3. Presentations on Curriculum into the Future and New Website for La Vista (Mike McAvin)

D. PRESENTATION/ACTION ITEMS (10 Minutes)

Members of the audience may request to speak on any item(s), prior to action by the Board. Speakers will have one (1) minute to address the Board.

- Romines
1-140** 1. 2010 Measure BB Series B General Obligation Bond Authorization Sale and Board Resolution (**Approval is Requested**)

E. CONSENT CALENDAR (15 Minutes)

Items included in this section are considered routine and customary school district business. Any Board member or member of the audience may request that any consent item(s) be removed, discussed, and acted upon separately.

General

- Rohrer** 1. Approve CSBA GAMUT Online subscription for online policies, for 2010-2011, in the amount of \$2,500.00, and Policy Manual Maintenance for 2009-2010, in the amount of \$2,850.00. These prices have not increased from last year.

- Hall 141-142** 2. Approve annual membership in the Cooperative Organization for the Development of Employee Selection Procedures (CODESP) from July 1, 2010, through June 30, 2011, in the amount of \$1,750.00 to be charged to Acct. #01.0-00000.0-00000-74002-5310-0000115.
- Hall 143-146** 3. Approve annual membership in School Employees Association of California from July 1, 2010, through June 30, 2011, for \$1,490.00 to be charged to Acct. #01.0-00000.0-00000-74001-5220-0000115.
- Hall 147-150** 4. Adopt extension to the agreement for Legal Services with Fagen, Friedman & Fulfrost LLP, through June 30, 2011, with no change in rates.
- Schneider 151-155** 5. Approve REVISED medical form for School Health Care Services for students with diabetes, and approve NEW medical forms for Self Administration of Medication and Health Care Procedure Performed by Student.

Hall **Personnel**

- 6. Ratify leave of absence for classified employees at effective dates as listed:
 - Alvarez, Elva, Systems Technician, District Wide, (Contract Article 6) effective 05/04/10 – 05/23/10
 - Whetham, Marsha, Satellite Kitchen Operator II, Pennekamp, (Contract Article 6) effective 05/24/10 – 06/23/10
- 7. Approve resignation of Martinez, David, Operations Worker, Warehouse, D.O. and MCHS, effective 05/25/10
- 8. Ratify employment of classified personnel to serve as substitute and/or short term/intermittent, district wide, at effective dates listed:
 - Cisco, Brittney, effective 05/05/10
- 9. Ratify change of status for Michael, Joanne Cozens (MEA), change from Col. III, Step 5, to Col. IV, Step 5, eff. 5/1/10
- 10. Ratify employment of certificated substitute, Stillians, Shelby, eff. 5/26/10, at current rate of pay.
- 11. Accept resignation of certificated staff as follows:
 - Lombardi, Tracy eff. 6/24/10
 - Nelson, Dawn eff. 6/24/10

F. PUBLIC AND STAFF SUBMITTED ITEMS

(This section includes topics submitted in writing by citizens, staff, or students ten (10) working days prior to the Board meeting, by 12:00 noon, [MBUSD Board Bylaw 9322, Agenda/Meeting Materials]. Each person submitting a topic will be allocated a maximum of three minutes in which to address the Board. Some topics may be given additional time, at the Board's discretion. This section of the agenda does not take the place of the public comment section, which follows later. The requirement for advance submission of topics allows for better agenda planning, improved staff response and eliminates the Brown Act restriction against Board discussion of unagendized topics that would otherwise exist.)

None.

G. BOARD BUSINESS (20 Minutes)

- | | | |
|------------------------------|-----|--|
| Fournell | 1. | SoCalROC Report |
| Rohrer | 2. | Board meeting dates for July and August |
| Romines
156-160 | 3. | Receive for first reading and adoption NEW Board Policy 1330.1, Joint Use Agreements. |
| Romines
161-172 | 4. | Receive for first reading and adoption REVISED Board Policy 3320, Claims and Actions Against the District, and accept Administrative Regulation 3320, Claims and Actions Against the District. |
| Hall
173-179 | 5. | Review and approve REVISED job description for Campus Security Staff. |
| Hall
180-186 | 6. | Receive for first reading and adoption, REVISED Board Policy, and review Administrative Regulation 1240, Volunteer Assistance. |
| Hall
187-190 | 7. | Receive for review, REVISED Administrative Regulation 4112.4/ 4212.4/ 4312.4, Health Examinations. |
| Hall
191-193 | 8. | Receive for Board review, NEW Administrative Regulation 4117.11/ 4217.11/ 4317.11, Preretirement Part-Time Employment. |
| Hall
194-199 | 9. | Receive for Board review, REVISED Administrative Regulation 4117.14/4317.14, Postretirement Employment. |
| Hall
200-205 | 10. | Receive for Board review, REVISED Administrative Regulation 4154/ 4254/ 4354, Health and Welfare Benefits. |
| Hall
206-214 | 11. | Receive for first reading and adoption, REVISED Board Policy, and review Administrative Regulation 4127/ 4227/ 4327, Temporary Athletic Team Coaches. |
| Hall
215-219 | 12. | Receive for first reading and adoption, REVISED Board Policy 4030, Nondiscrimination in Employment. |
| Hall
220-227 | 13. | Receive for first reading and adoption, REVISED Board Policy, and review Administrative Regulation 4157/ 4257/ 4357, Employee Safety. |
| Hall
228-235 | 14. | Receive for first reading and adoption, REVISED Board Policy 4031, Complaints Concerning Discrimination in Employment. |
| Seaton
236-247 | 15. | Receive for first reading and adoption, REVISED Board Policy, and review Administrative Regulation 6142.7, Physical Education and Activity. |
| Schneider
248-254 | 16. | Receive for first reading and adoption, REVISED Board Policy, and review Administrative Regulation 3515.2, Disruptions. |
| Schneider
255-262 | 17. | Receive for first reading and adoption REVISED Board Policy 5131, Conduct. |

- Schneider
263-269** 18. Receive for first reading and adoption REVISED Board Policy, and review Administrative Regulation 5131.7, Weapons and Dangerous Instruments.
- Schneider
270-274** 19. Approve deleting Board Policy 5141.26, Tuberculosis Testing, and review Administrative Regulation 5141.26, Tuberculosis Testing.
- Schneider
275-290** 20. Review REVISED Board Exhibit 5145.6, Parental Notifications.
- Schneider
291-296** 21. Approve deleting Board Policy 6300, Preschool/Early Childhood Education.
- Schneider
297-298** 22. Review NEW Administrative Regulation 5111.2, Nonresidential Foreign Students.

H. SUPERINTENDENT/CABINET REPORT (10 Minutes)

- 1. District Office Summer Work Schedule
- 2. Timeline for Budget Adoption
- 3. Other Items as Presented

I. PUBLIC COMMENTS (5 minutes)

As a courtesy, please complete the Public Comment card and give it to the Recorder before the beginning of this meeting. You will have three (3) minutes to speak.

J. ITEMS FOR FUTURE DISCUSSION/ACTION

K. ADJOURNMENT

CLOSED SESSION AGENDA

June 2, 2010

5:30 PM

- 1. Conference with District labor negotiator Steve Romines regarding MBUTA negotiations, per Government Code Section 54957.6.
- 2. Public Employee Performance Evaluation (Principal), per Government Code Section 54954.5(e).

**MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
CALENDAR OF EVENTS**

(Note: These dates are subject to change)

JUNE

June 2, 2010, 6:30 PM
Board Meeting

June 3, 2010
Open House
Robinson Elementary School

June 16, 2010, 6:30 PM
Board Meeting

June 22, 2010
MBMS Promotion

June 23, 2010
Last Day of School

June 24, 2010
MCHS Graduation

D. PRESENTATION/ACTION ITEMS

1. **TITLE:** Adopt the Manhattan Beach Unified School District Resolution 2010-8, for the 2010 Series B General Obligation Bond Sale, and approve the Preliminary Official Statement and the Contract of Purchase

BACKGROUND: The purpose of this resolution is to approve the form of the Preliminary Official Statement (POS). The Preliminary Official Statement is the key document utilized by investors and underwriters to learn about the District. It discloses information with respect to the Bonds and the District's finances and ability to repay the Bonds in a timely manner. It also presents a profile of the district and local community.

Also included for your approval are: the Preliminary Official Statement and the Contract of Purchase with De La Rosa and Co, the underwriters who will be marketing the bonds. The Resolution to the Board of Supervisors of Los Angeles County authorizing them to Levy Taxes for the School District, is attached for your information.

ACTION RECOMMENDED: Adopt the Manhattan Beach Unified School District Resolution 2010-8, for the 2010 Series B General Obligation Bond Sale, and approve the Preliminary Official Statement and the Contract of Purchase

PREPARED BY: Dr. Steve Romines, Assistant Superintendent

DATE OF MEETING: June 2, 2010

STRADLING YOCCA CARLSON & RAUTH

A PROFESSIONAL CORPORATION

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May 24, 2010

Mr. Steven Romines
Assistant Superintendent of Administrative Services
Manhattan Beach Unified School District
325 South Peck Avenue
Manhattan Beach, California 90266

Re: *Manhattan Beach Unified School District, Los Angeles County, California, Election
of 2008 General Obligation Bonds, 2010 Series B*

Dear Steve:

I have prepared this letter to assist you in your presentation to the Board of Trustees on June 2, 2010. In connection with the proposed issuance of the District's Election of 2008 General Obligation Bonds, 2010 Series B (the "Bonds"), the Board of Trustees is to adopt a resolution approving the form of the Preliminary Official Statement.

This letter briefly describes the nature of the Preliminary Official Statement and describes the duties of Board members under federal securities laws as to that document.

Preliminary Official Statement

The Preliminary Official Statement is the most important document for District officials to review and understand. This document discloses information with respect to the Bonds and the District's finances and operations and its ability to repay the Bonds in a timely manner.

The Securities and Exchange Commission in its Orange County Report (dealing with the effects of the Orange County bankruptcy on Orange County municipal securities offerings) underscored the obligations of public officials to review Preliminary Official Statements. In the report the SEC stated:

"In addition to the governmental entity issuing municipal securities, public officials of the issuer who have ultimate authority to approve the issuance of securities and related disclosure documents have responsibilities under the federal securities laws as well. In authorizing the issuance of securities and related disclosure documents, a public official may not authorize disclosure that the official knows to be false; nor may a public official authorize disclosure while recklessly disregarding facts that indicate that there is a risk that the disclosure may be

misleading. When, for example, a public official has knowledge of facts bringing into question the issuer's ability to repay these securities, it is reckless for that official to approve disclosure to investors without taking steps appropriate under the circumstances to prevent the dissemination of materially false or misleading information regarding those facts. In this matter, such steps could have included becoming familiar with the disclosure documents and questioning the issuer's officials, employees or other agents about the disclosure of those facts."

The Chief of the Securities and Exchange Commission Office of Municipal Securities has commented on the importance of municipal issuers adhering to the recommendations of the Orange County Report. She stated as follows:

"It's just not possible for issuers simply to rely on lawyers and underwriters to handle this. Public officials have a different perspective and a different knowledge base than members of the financing team. It is critically important that members of the governing body and other appropriate officials outside the financing team personally review the disclosure documents and speak up if they have questions."

"Ten years after Orange County, it's just no longer reasonable for issuer officials to expect the SEC and others to overlook such conduct."

"I strongly urge you to institute internal controls and follow specified policies and procedures so that you can ensure your own disclosures are accurate and complete. This would include making sure that the appropriate government official has read the disclosure documents or questioned staff who has read them. It may also include having so-called due diligence meetings with disclosure counsel or underwriter's counsel."

"These steps frankly are long overdue."

Pursuant to these obligations, it is important for officials of the District, including Board members, to review and understand the key portions of the Official Statements relating to the District and its finances so that there will be no misleading information in the Preliminary Official Statement. The District should make use of its accountants and staff, us as Bond Counsel, its financial advisor, its Underwriter and other information sources to avoid having (i) any misleading information included in the Preliminary Official Statement, and (ii) any material information omitted from the Preliminary Official Statement.

Some of the questions that the Board members and District officials should ask themselves are:

1. Is there any information about the District not included in the Preliminary Official Statement that would be important for an investor to know before purchasing the Bonds?

Mr. Steven Romines
May 24, 2010
Page 3

2. Is there any pending or threatened litigation against the District that could have a negative impact on the District's finances?

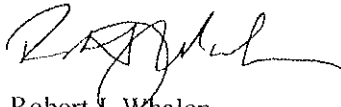
3. Does the District have financial obligations for post-employment retirement benefits that are not described in the Preliminary Official Statement?

4. Are there any circumstances that exist or that are now unfolding that could place a demand on District reserves or create budget difficulties for the District that are not described in the Preliminary Official Statement?

If you or any other District official has any questions regarding this financing or the issues raised by this letter, please contact me at (949) 725-4166.

Very truly yours,

STRADLING YOCCA CARLSON & RAUTH



Robert J. Whalen

RJW:pm

RESOLUTION NO. 2010-8

RESOLUTION OF THE BOARD OF TRUSTEES OF MANHATTAN BEACH
UNIFIED SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF THE
MANHATTAN BEACH UNIFIED SCHOOL DISTRICT (LOS ANGELES COUNTY,
CALIFORNIA) ELECTION OF 2008 GENERAL OBLIGATION BONDS, 2010
SERIES B

WHEREAS, a duly called municipal election was held in the Manhattan Beach Unified School District (the "District"), Los Angeles County (the "County"), State of California, on November 4, 2008 (the "Election") and thereafter canvassed pursuant to law;

WHEREAS, at such election, there was submitted to and approved by the requisite fifty-five percent of the qualified electors a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum principal amount of \$67,480,000 payable from the levy of an *ad valorem* tax against the taxable property in the District (the "Authorization");

WHEREAS, pursuant to the Authorization, the County issued the \$7,651,589.45 Manhattan Beach Unified School District (Los Angeles County, California) Election of 2008 General Obligation Bonds, 2009 Series A (the "2009 Bonds");

WHEREAS, at this time this Board of Trustees of the District (the "Board") has determined that it is necessary and desirable to issue a second series of bonds authorized pursuant to the Election in an aggregate principal amount not to exceed \$13,000,000 to be styled as "Manhattan Beach Unified School District (Los Angeles County, California) Election of 2008 General Obligation Bonds, 2010 Series B" (the "Bonds");

WHEREAS, pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act"), the Bonds are authorized to be issued for the purposes set forth in the ballot submitted to voters at the Election, including to make payment of certain lease payments related to the District's Certificates of Participation Series A of 2001 (the "2001 Certificates");

WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including this proposed issue of Bonds, is within all limits prescribed by law;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE MANHATTAN BEACH UNIFIED SCHOOL DISTRICT, LOS ANGELES COUNTY, CALIFORNIA, AS FOLLOWS:

SECTION 1. Purpose. To raise money for the purposes authorized by voters of the District at the Election, including to make payment of certain lease payments related to the 2001 Certificates and to pay all necessary legal, financial and contingent costs in connection with the issuance of the Bonds, this Board hereby authorizes the issuance of the Bonds in one or more series.

SECTION 2. Paying Agent. This Board does hereby appoint U.S. Bank National Association as authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Paying Agent") for the Bonds on behalf of the District.

SECTION 3. Approval of Purchase Contract The form of Purchase Contract (the "Purchase Contract") by and between the District and E. J. De La Rosa & Co., Inc., as underwriter (the "Underwriter"), for the purchase and sale of the Bonds, substantially in the form on file with the Clerk of the Board, is hereby approved and the Superintendent of the District, the Assistant Superintendent of Administrative Services of the District and such other officers or employees of the District as either of such individuals may designate (the "Authorized Officers"), each alone, is hereby authorized to execute and deliver the Purchase Contract, but with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by his or her execution and delivery thereof; provided, however, that the maximum interest rate on the Bonds shall not exceed the maximum rate permitted by law, and that the Underwriter's discount, excluding original issue discount and costs of issuance paid by the Underwriter, shall not exceed 1.5% of the aggregate of principal amount of Bonds issued, plus reimbursement of reasonable out-of-pocket expenses of the Underwriter. The Board hereby approves the sale of the Bonds at a negotiated sale, which is determined to provide more flexibility in the timing of the sale, an ability to implement the sale in a shorter time period, an increased ability to structure the Bonds to fit the needs of particular purchasers, and a greater opportunity for the Underwriter to pre-market the Bonds to potential purchasers prior to the sale, all of which will contribute to the District's goal of achieving the lowest overall cost of funds. The Board estimates that the costs associated with the issuance of the Bonds, including compensation to the Underwriter and any such costs which the Underwriter agrees to pay pursuant to the Purchase Contract, will equal approximately [2.0]% of the principal amount of the Bonds. The Authorized Officers, each alone, are further authorized to determine the principal amount of the Bonds to be specified in the Purchase Contract for sale by the District up to \$13,000,000 and to enter into and execute the Purchase Contract with the Underwriter, if the conditions set forth in this Resolution are satisfied.

SECTION 4. Certain Definitions. As used in this Resolution, the terms set forth below shall have the meanings ascribed to them (unless otherwise set forth in the Purchase Contract or in the Official Statement):

- (a) **"Accreted Interest"** means, with respect to the Capital Appreciation Bonds and the Convertible Capital Appreciation Bonds, the Accreted Value thereof minus the Denominational Amount thereof as of the date of calculation.
- (b) **"Accretion Rate"** means, unless otherwise provided by the Purchase Contract, that rate which, (i) when applied to the Denominational Amount of any Capital Appreciation Bond and compounded semiannually on each March 1 and September 1 (commencing on [March 1, 2011], produces the Maturity Value on the maturity date, and (ii) when applied to any Convertible Capital Appreciation Bonds and compounded semiannually on each Bond Payment Date, produces the Conversion Value on the Conversion Date.
- (c) **"Accreted Value"** means with respect to the Capital Appreciation Bonds and any Convertible Capital Appreciation Bonds prior to the Conversion Date, as of the date of calculation, the Denominational Amount thereof, plus Accreted Interest thereon to such date of calculation, compounded semiannually on each March 1 and September 1

(commencing on [March 1, 2011] (unless otherwise provided in the Purchase Contract)) at the stated Accretion Rate to maturity thereof, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

- (d) **“Bond Insurer”** means any insurance company which issues a municipal bond insurance policy insuring the payment of principal of and interest on the Bonds.
- (e) **“Bond Obligation”** means, from time to time as of the date of calculation, with respect to any Capital Appreciation Bond, the Accreted Value thereof and with respect to any Convertible Capital Appreciation Bond, prior to the Conversion Date the Accreted Value thereof and after the Conversion Date the Conversion Value thereof.
- (f) **“Bond Payment Date”** means (unless otherwise provided by the Purchase Contract or the Official Statement) (i) with respect to any Bonds which bear interest on a current basis, the payments dates specified in the Purchase Contract, and (ii) with respect to Principal payments on the Bonds, the date provided in the Purchase Contract.
- (g) **“Capital Appreciation Bonds”** means the Bonds the interest component of which is compounded semiannually on each Bond Payment Date to maturity as shown in the table of Accreted Value for such bonds in the Official Statement.
- (h) **“Code”** means the Internal Revenue Code of 1986, as amended.
- (i) **“Continuing Disclosure Certificate”** means that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.
- (j) **“Current Interest Bonds”** means the Bonds the interest on which is payable semiannually on each Bond Payment Date specified for each such bond as designated and maturing in the years and in the amounts set forth in the Purchase Contract.
- (k) **“Convertible Capital Appreciation Bonds”** means any Bonds which are originally issued as Capital Appreciation Bonds, but which convert to Current Interest Bonds on a Conversion Date. Prior to its Conversion Date, a Convertible Capital Appreciation Bond shall be treated as a Capital Appreciation Bond hereunder and after the Conversion Date shall be treated as a Current Interest Bond hereunder.
- (l) **“Conversion Date”** means, with respect to each Convertible Capital Appreciation Bond, the date as stated in the Bond Purchase Contract, as the date on which such Convertible Capital Appreciation Bond converts to a bond which bears interest payable on each Bond Payment Date.
- (m) **“Conversion Value”** means the Accreted Value of a Convertible Capital Appreciation Bond as of its Conversion Date.

- (n) **“Denominational Amount”** means, with respect to the Capital Appreciation Bonds and any Convertible Capital Appreciation Bonds prior to the Conversion Date, the initial principal amount thereof, and, with respect to the Current Interest Bonds, the principal amount thereof.
- (o) **“Depository”** means the securities depository acting as Depository pursuant to Section 5(c) hereof.
- (p) **“DTC”** means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the Bonds.
- (q) **“Information Services”** means Financial Information, Inc.’s Financial Daily Called Bond Service; Moody’s Municipal and Government; or Standard & Poor’s J.J. Kenny Information Services Called Bond Service.
- (r) **“Maturity Value”** means the Accreted Value of any Capital Appreciation Bond on its maturity date.
- (s) **“Nominee”** means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 5(c) hereof.
- (t) **“Participants”** means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.
- (u) **“Paying Agent”** means U.S. Bank National Association, or such financial institution that the Superintendent of the District appoints and who is named as Paying Agent in the Official Statement.
- (v) **“Principal”** or **“Principal Amount”** means, with respect to any Current Interest Bond, the principal or principal amount thereof and, with respect to any Capital Appreciation Bond or Convertible Capital Appreciation Bond before its Conversion Date, the Denominational Amount.
- (w) **“Record Date”** means the close of business on the fifteenth (15th) day of the month preceding each Bond Payment Date.
- (x) **“Securities Depositories”** means The Depository Trust Company, 55 Water Street, New York, New York 10041, Telephone: (212) 855-1000, Facsimile transmission: (212) 855-7320.
- (y) **“Term Bonds”** means those Bonds for which mandatory redemption dates have been established in the Purchase Contract.
- (z) **“Transfer Amount”** means, with respect to any Outstanding Current Interest Bond, the Principal Amount, with respect to any Capital Appreciation Bond, the Maturity Value and, with respect to any Outstanding Convertible Capital Appreciation Bond, its Conversion Value.

SECTION 5. Terms of the Bonds.

(a) Denomination, Interest, Dated Dates. The Bonds shall be issued as bonds registered as to both Principal and interest, in the denominations of, with respect to the Capital Appreciation Bonds, \$5,000 Maturity Value, or any integral multiple thereof (except for one odd denomination) and with respect to Convertible Capital Appreciation Bonds, \$5,000 Conversion Value, or any integral multiple thereof (except for one odd denomination). The Bonds will be initially registered to "Cede & Co.", the Nominee of the Depository Trust Company, New York, New York.

Each Convertible Capital Appreciation Bond shall be dated, and shall accrete interest equal to the Accreted Interest for such Bond from, its date of initial delivery or such other date as shall appear in the Purchase Contract or the Official Statement to its Conversion Date and during such period no interest shall be payable on a current basis. From and after its Conversion Date, each Convertible Capital Appreciation Bond will bear interest payable on a current basis on the Conversion Value thereof on each Bond Payment Date at the interest rate set forth in the Purchase Contract for such Bond. The Convertible Capital Appreciation Bonds shall be issued in fully registered form, shall mature in the years and shall be issued in the aggregate Principal Amounts set forth in the Purchase Contract and shall accrete interest at the rate or rates and shall have Principal Amounts per each five thousand dollars (\$5,000) in Conversion Value as shown in the Accreted Value Table appended to the Official Statement; provided that, in the event that the amount shown in such Accreted Value Table and the Accreted Value calculated by the County or the Paying Agent by application of the definition of Accreted Value set forth in this Section 4 differ, the latter amount shall be the Accreted Value of such Convertible Capital Appreciation Bond.

The Bonds shall bear interest or accrete interest at a rate or rates such that the interest rate shall not exceed the maximum rate permitted by law. Interest shall be payable on the respective Bond Payment Dates and shall be computed on the basis of a 360-day year of twelve 30-day months.

The Capital Appreciation Bonds shall be dated the date of initial delivery of such bonds and mature in the years and shall be issued in the aggregate Denominational Amount set forth in the Purchase Contract or the Official Statement and shall have an interest rate and shall have Denominational Amounts per each five thousand dollars (\$5,000) in Maturity Value as shown in the Accreted Value Table appended to the Official Statement; provided, that in the event that the amount shown in such Accreted Value Table and the Accreted Value calculated by the District and approved by the Bond Insurer by application of the definition of Accreted Value set forth in Section 4 differ, the latter amount shall be the Accreted Value of such Capital Appreciation Bond. Capital Appreciation Bonds will not bear interest on a current basis.

(b) Redemption.

(i) Optional Redemption. The Bonds are subject to optional redemption prior to their stated maturity dates as provided in the Purchase Contract.

(ii) Mandatory Redemption. Unless otherwise provided in the Purchase Contract, the Term Bonds are subject to mandatory redemption from moneys in the Debt Service Fund established in Section 11 hereof prior to their stated maturity date, at the Principal Amount or Accreted Value thereof without premium, on each September 1, as set forth in the Purchase Contract and in the Official Statement described below.

(iii) Selection of Bonds for Redemption. Whenever provision is made in this Resolution for the optional redemption of Bonds and less than all Outstanding Bonds are to be redeemed, the Paying Agent identified below, upon written instruction from the District, shall select Bonds for redemption as so directed by the District and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Convertible Capital Appreciation Bond to be redeemed in part shall be in integral multiples of the Accreted Value per \$5,000 Conversion Value of such Convertible Capital Appreciation Bond and the portion of any Capital Appreciation Bond to be redeemed in part shall be in integral multiples of the Accreted Value per \$5,000 Maturity Value thereof (except for one odd denomination, if any).

(iv) Notice of Redemption. When redemption is authorized or required pursuant to Section 5(b) hereof, the Paying Agent, upon written instruction from the District, shall give notice (a "Redemption Notice") of the redemption of the Bonds. Such Redemption Notice shall specify: the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, the date of redemption, the place or places where the redemption will be made, including the name and address of the Paying Agent, the redemption price, the CUSIP numbers (if any) assigned to the Bonds to be redeemed, the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the Principal Amount of such Bond to be redeemed, and the original issue date, interest rate or Accretion Rate and stated maturity date of each Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed at the redemption price thereof, together with the interest accrued or accreted to the redemption date, and that from and after such date, interest with respect thereto shall cease to accrue or accrete.

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

(a) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the Bond Register.

(b) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to the Securities Depositories.

(c) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services.

Any Redemption Notice for an optional redemption of the Bonds delivered in accordance with this section may be conditional, and, if any condition stated in the Redemption Notice shall not have been satisfied on or prior to the redemption date: (i) the Redemption Notice shall be of no force and effect, (ii) the District shall not be required to redeem such Bonds, (iii) the redemption shall not be made, and (iv) the Paying Agent shall within a reasonable time thereafter give notice to the persons in the manner in which the conditional Redemption Notice was given that such condition or conditions were not met and that the redemption was canceled.

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

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

(vi) Effect of Notice of Redemption. Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside in the District's Debt Service Fund, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Bonds to be redeemed as provided in Section 5(b)(i) and (ii) hereof, together with interest accrued or accreted to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue or accrete and become payable. All money held by or on behalf of the Paying Agent for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 5 shall be cancelled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Bond purchased by the District shall be cancelled by the Paying Agent.

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

(c) Book-Entry System.

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

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

(ii) Election of Book-Entry System. The Bonds shall initially be delivered in the form of a separate single fully-registered bond (which may be typewritten) for each maturity date of such Bonds in an authorized denomination (except for any odd denomination Bond). The ownership of each such Bond shall be registered in the Bond Register (as defined below) in the name of the Nominee, as nominee of the Depository, and ownership of the Bonds, or any portion thereof may not thereafter be transferred except as provided in Section 5(c)(ii)(4).

With respect to book-entry Bonds, the District and the Paying Agent shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book-entry Bonds. Without limiting the immediately preceding sentence, the District and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in book-entry Bonds, (ii) the delivery to any Participant or any other person, other than an owner as shown in the Bond Register, of any notice with respect to book-entry Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in book-entry Bonds to be prepaid in the event the District redeems the Bonds in part, or (iv) the payment by the Depository or any Participant or any other person, of any amount with respect to Accreted Value, Principal of, premium, if any, or interest on the book-entry Bonds. The District and the Paying Agent may treat and consider the person in whose name each book-entry Bond is registered in the Bond Register as the absolute owner of such book-entry Bond for the purpose of payment of Accreted Value or Principal of and premium and interest on and to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all Accreted Value or Principal of and premium, if any, and interest on the Bonds only to or upon the order of the respective owner, as shown in the Bond Register, or his or her respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of Accreted Value or Principal of, and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the Bond Register, shall receive a certificate evidencing the obligation to make payments of Accreted Value or Principal of, and premium, if any, and interest on the Bonds. Upon delivery by the Depository to the owner and the Paying Agent, of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to the Record Date, the word Nominee in this Resolution shall refer to such nominee of the Depository.

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

2. Selection of Depository. In the event (i) the Depository determines not to continue to act as securities depository for book-entry Bonds, or (ii) the District determines that continuation of the book-entry system is not in the best interest of the beneficial owners of the Bonds or the District, then the District will discontinue the book-entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered bond for each maturity date of such book-entry Bond, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (4) hereof. If the District fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in such Bond Register in the name of the Nominee, but shall be registered in whatever name or names the owners transferring or exchanging such Bonds shall designate, in accordance with the provisions of this Section 5(c).

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

4. Transfer of Bonds to Substitute Depository.

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

(1) to any successor of DTC or its nominee, or of any substitute depository designated pursuant to Section 5(c)(ii)(4)(A)(2) ("Substitute Depository"); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(2) to any Substitute Depository designated 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 that DTC (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(3) to any person as provided below, upon (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 that DTC or its successor (or Substitute Depository or its successor) is no longer able to carry out its functions as depository.

(B) In the case of any transfer pursuant to Section 5(c)(ii)(4)(A)(1) or (2), upon receipt of all outstanding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent designating the Substitute Depository, a single new Bond, which

the District shall prepare or cause to be prepared, shall be executed and delivered for each maturity of Bonds then outstanding, 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 Section 5(c)(ii)(4)(A)(3), upon receipt of all outstanding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent, new Bonds, which the District shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such written request of the District, provided that the Paying Agent shall not be required to deliver such new Bonds within a period of less than sixty (60) days from the date of receipt of such written request from the District.

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

(D) The District and the Paying Agent shall be entitled to treat the person in whose name any Bond is registered as the owner thereof for all purposes of this Resolution and any applicable laws, notwithstanding any notice to the contrary received by the Paying Agent or the District; and the District and the Paying Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Bonds. Neither the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to any such beneficial owners or to any other party, including DTC or its successor (or Substitute Depository or its successor), except to the Owner of any Bonds, and the Paying Agent may rely conclusively on its records as to the identity of the owners of the Bonds.

SECTION 6. Execution of Bonds. The Bonds shall be signed by the President of the Board by manual or facsimile signature and countersigned by the manual or facsimile signature of and the seal or facsimile seal of the District, if any, affixed thereto by the Clerk of the Board, all in their official capacities. No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Bond is signed by the Paying Agent as authenticating agent. Authentication by the Paying Agent shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

SECTION 7. Paying Agent; Transfer and Exchange. So long as any of the Bonds remain outstanding, the District will cause the Paying Agent to maintain and keep at its principal office all books and records necessary for the registration, exchange and transfer of the Bonds as provided in this Section. Subject to the provisions of Section 8 below, the person in whose name a Bond is registered shall be regarded as the absolute owner of that Bond for all purposes of this Resolution. Payment of or on account of the Accreted Value of or Principal of and premium, if any, and interest on any Bond shall be made only to or upon the order of that person; neither the District nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Bonds, including interest, to the extent of the amount or amounts so paid.

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

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

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

Any Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer shall be cancelled by the Paying Agent. The District may at any time deliver to the Paying Agent for cancellation any previously authenticated and delivered Bonds that the District may have acquired in any manner whatsoever, and those Bonds shall be promptly cancelled by the Paying Agent. Written reports of the surrender and cancellation of Bonds shall be made to the District by the Paying Agent on or before February 1 and August 1 of each year. The cancelled Bonds shall be retained for two years, then destroyed by the Paying Agent.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 15th business day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close

of business on the Bond Payment Date or any day on which the applicable notice of redemption is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

SECTION 8. Payment. Payment of interest on any Convertible Capital Appreciation Bond after the Conversion Date on any Bond Payment Date shall be made to the person appearing on the registration books of the Paying Agent as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by check mailed to such Owner on the Bond Payment Date at his or her address as it appears on such registration books or at such other address as he may have filed with the Paying Agent for that purpose on or before the Record Date. The Owner in an aggregate Principal Amount or Maturity Value of \$1,000,000 or more may request in writing to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The Conversion Value and redemption premiums, if any, on Convertible Appreciation Bonds and the Accreted Value and redemption premiums, if any, on the Capital Appreciation Bonds shall be payable upon maturity or redemption upon surrender at the principal office of the Paying Agent. The interest, Accreted Value, Conversion Value, Principal and premiums, if any, on the Bonds shall be payable in lawful money of the United States of America. The Paying Agent is hereby authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. The Bonds are general obligation bonds of the District, payable solely from the proceeds of *ad valorem* taxes levied on all property subject to such taxes within the District.

No current interest shall be payable to an Owner of a Capital Appreciation Bond; however, during the period Capital Appreciation Bonds are outstanding, interest will accrete on the Capital Appreciation Bonds to an amount equal to the Maturity Value. No payment of interest will be made to the Owner of the Convertible Capital Appreciation Bonds on the Conversion Date. Interest shall be paid on the first Bond Payment Date after the Conversion Date based upon the Conversion Value of the Convertible Capital Appreciation Bonds on the Conversion Date.

SECTION 9. Form of Bonds. The Bonds shall be in substantially the following form, allowing those officials executing the Bonds to make the insertions and deletions necessary to conform the Bonds to this Resolution, the Purchase Contract and the Official Statement.

(Form of Capital Appreciation Bond)

REGISTERED
NO.

REGISTERED
\$

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY, CALIFORNIA
ELECTION OF 2008 GENERAL OBLIGATION BOND, 2010 SERIES B

ACCRETION RATE: MATURITY DATE: DATED AS OF: CUSIP
 September 1, _____ Date of Delivery

REGISTERED OWNER: CEDE & CO.

DENOMINATIONAL AMOUNT:

MATURITY VALUE:

The Manhattan Beach Unified School District (the "District") in Los Angeles County, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Maturity Value on the Maturity Date, each as stated above, such Maturity Value comprising the Denominational Amount and interest accreted thereon. This bond will not bear current interest but will accrete interest, compounded on each March 1 and September 1, commencing on [March 1, 2011], at the Accretion Rate specified above to the Maturity Date, assuming that in any such semiannual period the sum of such compounded accreted interest and the Denomination Amount (such sum being herein called the "Accreted Value") increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months. Accreted Value and redemption premium, if any, are payable in lawful money of the United States of America, without deduction for the Paying Agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Paying Agent, initially U.S. Bank National Association. Accreted Value and redemption premium, if any, are payable upon presentation and surrender of this bond at the principal office of the Paying Agent.

This bond is one of an authorization of \$13,000,000 of bonds approved for the purpose of raising money for the purpose authorized by voters of the District at the election to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite 55% vote of the electors of the District cast at an election held on November 4, 2008 (the "Election"), upon the question of issuing bonds in the amount of \$67,480,000 and the resolution of the Board of Trustees of the District adopted on June 2, 2010 (the "Bond Resolution"). This bond and the issue of which this bond is one are general obligations of the District, payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Section 15250 and 15252.

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

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

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

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

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

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

IN WITNESS WHEREOF, the Manhattan Beach Unified School District, Los Angeles County, California, has caused this bond to be executed on behalf of the District and in official capacity by the manual or facsimile signature of the President of the Board of Trustees of the District, and to be countersigned by the manual or facsimile signature of the Clerk to the Board of Trustees of the District, and has caused the seal of the District to be affixed hereto, all as of the date stated above.

[SEAL]

MANHATTAN BEACH UNIFIED SCHOOL
DISTRICT

By: _____
President, Board of Trustees

COUNTERSIGNED:

Clerk, Board of Trustees

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on _____, 2010.

TREASURER AND TAX COLLECTOR OF
LOS ANGELES COUNTY

By: U.S. BANK TRUST NATIONAL
ASSOCIATION, as Agent

Authorized Signatory

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and ZIP code of Transferee): _____ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or by any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

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

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.

Clerk, Board of Trustees

(Form of Legal Opinion)

FORM OF CONVERTIBLE CAPITAL APPRECIATION BOND

R-___

\$_____

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE RESOLUTION) TO THE BOND REGISTRAR 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 THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), 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.

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
(LOS ANGELES COUNTY, CALIFORNIA)
ELECTION OF 2008 GENERAL OBLIGATION BONDS, 2010 SERIES B

CONVERTIBLE CAPITAL APPRECIATION BOND

<i>ACCRETION RATE THROUGH CONVERSION DATE:</i>	<i>INTEREST RATE AFTER THE CONVERSION DATE</i>	<i>CONVERSION DATE</i>	<i>MATURITY DATE:</i>	<i>DATE OF ISSUANCE:</i>	<i>CUSIP</i>
			September 1, 20__		

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

ACCREDITED VALUE AT CONVERSION DATE:

The Manhattan Beach Unified School District (the "District") in Los Angeles County, California, for value received, promises to pay to the Registered Owner named above, or registered assigns, the Accreted Value at Conversion Date on the Maturity Date, or upon prior Redemption hereof, each as stated above. Interest due and payable on the Maturity Date consists of interest compounded from the Date of Issuance at the Accretion Rate through Conversion Date specified above to the Conversion Date, compounded on each March 1 and September 1, commencing on [March 1, 2011], assuming that the sum of such compounded interest and the Principal Amount hereof increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months. After the Conversion Date, the District, for value received, promises to pay to the Registered Owner named above, interest on the Accreted Value at Conversion Date (the "Conversion

Value”) until the Conversion Value is paid or provided for at the Interest Rate after the Conversion Date stated above, on March 1 and September 1 of each year (the “Bond Payment Dates”), commencing [March 1, 2011]. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before _____, in which event it will bear interest from the Conversion Date. The Conversion Value hereof and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the “Registered Owner”) on the register maintained by the Paying Agent, initially the U.S. Bank National Association. Accreted Value and redemption premium, if any, are payable upon presentation and surrender of this bond at the principal office of the Paying Agent.

The bonds of this issue (the “Bonds”) are comprised of \$_____ principal amount of Capital Appreciation Bonds and Convertible Capital Appreciation Bonds (each a “Convertible Capital Appreciation Bond”) of which this bond is a part, in \$_____ Principal Amount and \$_____ Conversion Value.

The Bonds have been issued to finance the construction, equipping, furnishing, reconstruction, rehabilitation and replacement of school facilities and sites under authority of and pursuant to the laws of the State of California, and the requisite fifty-five percent vote of the electors of the District cast at an election held on November 4, 2008, upon the question of issuing bonds in the amount of \$67,480,000 and the resolutions of the Board of Trustees of the District adopted on June 2, 2010 (the “Resolution”). Any capitalized terms not defined herein shall have the meaning set forth in the Resolution. This bond and the issue of which this bond is a part are payable as to both principal and interest from the proceeds of the levy of ad valorem taxes on all property subject to such taxes in the District, which taxes, under the laws now in force, are unlimited as to rate or amount.

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

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

The Convertible Capital Appreciation Bonds are subject to optional redemption prior to maturity as set forth in the Resolution.

The Convertible Capital Appreciation Bonds maturing on September 1, 20__ are subject to mandatory redemption from moneys in the Debt Service Fund prior to their stated maturity date, at the Accreted Value thereof without premium on each September 1 on and after September 1, 20__, in the Accreted Value as set forth in the following table:

<i>Year (September 1)</i>	<i>Accreted Values</i>
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Reference is made to the Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Convertible Capital Appreciation Bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Resolution.

The rights and obligations of the District and of the Owners of the Bonds may be modified or amended at any time by a supplemental resolution adopted by the County in certain cases with the written consent of Owners of at least 60% in aggregate Bond Obligation of the Outstanding Bonds and other bonds issued under the Resolution, exclusive of Bonds, if any, owned by the District and in certain cases without the consent of the Owners as further specified in the Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; and that due provision has been made for levying and collecting ad valorem property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due, and for levying and collecting such taxes the full faith and credit of the District are hereby pledged.

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Manhattan Beach Unified School District, Los Angeles County, California, has caused this Bond to be executed on behalf of the District and in official capacity, by the manual or facsimile signatures of the President of the Board of Trustees of the District, and to be countersigned by the manual or facsimile signature of the Clerk of the Board of Trustees of the District, and has caused the seal of the District to be affixed hereto, all as of the date stated above.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

[SEAL]

By: _____
President of the Board of Trustees

COUNTERSIGNED:

Clerk, Board of Trustees

(FORM OF CERTIFICATE OF AUTHENTICATION)

This bond is one of the Convertible Capital Appreciation Bonds described in the Resolution referred to herein, which has been authenticated and registered on _____, 2010.

TREASURER AND TAX COLLECTOR OF LOS ANGELES COUNTY, as Paying Agent

By: U.S. BANK NATIONAL ASSOCIATION, as agent

By: _____
Its: Authorized Signatory

(FORM OF ASSIGNMENT)

For value received the undersigned hereby sells, assigns and transfers unto

(Name, Address, and Tax Identification or Social Security Number of Assignee)

the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) attorney, to transfer the same on the registration books of the Paying Agent with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor institution.

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

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or by any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

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

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.

Clerk, Board of Trustees

(Form of Legal Opinion)

SECTION 10. Delivery of Bonds. The proper officials of the District shall cause the Bonds to be prepared and, following their sale, shall have the Bonds signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Bonds, to the original purchaser upon payment of the purchase price therefor.

SECTION 11. Deposit of Proceeds of Bonds. The proceeds from the sale of the Bonds, to the extent of the Denominational Amount and the Principal Amount thereof, shall be paid to the Treasurer-Tax Collector of the County (the "Treasurer") to the credit of the fund hereby created and established and to be known as the "Manhattan Beach Unified School District Election of 2008 General Obligation Bonds, 2010 Series B Building Fund" (the "Building Fund") of the District, shall be kept separate and distinct from all other District funds, and those proceeds shall be used solely for the purpose for which the Bonds are being issued and provided further that such proceeds shall be applied solely to authorized purposes which relate to the acquisition or improvement of real property and equipment. The accrued interest and any premium received by the Treasurer from the sale of the Bonds shall be kept separate and apart in the fund hereby created and established and to be designated as the "Manhattan Beach Unified School District Election of 2008 General Obligation Bonds, 2010 Series B Debt Service Fund" (the "Debt Service Fund") for the Bonds and used only for payment of Accreted Value or Principal of and interest on the Bonds. Interest earnings on moneys held in the Building Fund shall be retained in the Building Fund. Interest earnings on moneys held in the Debt Service Fund shall be retained in the Debt Service Fund. Any excess proceeds of the Bonds not needed for the authorized purposes set forth herein for which the Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of Accreted Value or Principal of and interest on the Bonds. If, after payment in full of the Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the General Fund of the District.

Subject to federal tax restrictions, moneys in the funds created hereunder shall be invested in any lawful investment permitted by Sections 16429.1 and 53601 of the Government Code of the State of California (the "Government Code") or in shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in investments permitted by Section 53635 of the Government Code, in LAIF, or in a guaranteed investment contract with a financial institution or insurance company which has at the date of execution thereof one or more outstanding issues of unsecured, uninsured and unguaranteed debt obligations or a claims paying ability rated not lower than the second highest rating category (without regard to subcategories) by Standard & Poor's Ratings Services and Moody's Investors Service.

Except as required below to satisfy the requirements of Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code"), interest earned on the investment of moneys held in the Debt Service Fund shall be retained in the Debt Service Fund and used to pay the Accreted Value or Principal of and interest on the Bonds when due.

SECTION 12. Rebate Fund.

(a) The District shall create and establish a special fund designated the "Manhattan Beach Unified School District Election of 2008 General Obligation Bonds, 2010 Series B Rebate Fund" (the "Rebate Fund"). All amounts at any time on deposit in the Rebate Fund shall be held in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the "Rebate Requirement") pursuant to Section 148 of the Code, and the Treasury Regulations promulgated thereunder (the "Treasury Regulations"). Such amounts shall be free and clear of any

lien hereunder and shall be governed by this Section and by the Tax Certificate to be executed by the District.

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

(c) Any funds remaining in the Rebate Fund after redemption of all the Bonds and any amounts described in paragraph (2) of subsection (d) of this Section, or provision made therefor satisfactory to the District, including accrued interest, shall be remitted to the District.

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

(1) not later than sixty (60) days after the end of (i) the fifth (5th) Bond Year, and (ii) each fifth (5th) Bond Year thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the “rebate amount” calculated as of the end of such Bond Year in accordance with Section 1.148-3 of the Treasury Regulations; and

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

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

deposit an amount equal to such deficiency into the Rebate Fund prior to the time such payment is due.

(f) Each payment required to be made pursuant to subsection (d) of this Section shall be made to the Internal Revenue Service Center, Ogden, Utah 84201, on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, such form to be prepared or caused to be prepared by the District.

(g) In the event that immediately following the calculation required by subsection (b) of this Section, but prior to any deposit made under said subsection, the amount on deposit in the Rebate Fund exceeds the "rebate amount" calculated in accordance with said subsection, the District may withdraw the excess from the Rebate Fund and credit such excess to the Debt Service Fund.

(h) The District shall retain records of all determinations made hereunder until six years after the complete retirement of the Bonds.

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

SECTION 13. Security for the Bonds. There shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the period the Bonds are outstanding in an amount sufficient to pay the Principal and Accreted Value of, premium if any, and interest on the Bonds when due, which moneys when collected will be placed in the Debt Service Fund of the District, which *ad valorem* taxes, together with the amounts on deposit in the Debt Service Fund, are irrevocably pledged for the payment of the Principal and Accreted Value of, premium if any, and interest on the Bonds when and as the same fall due. The District covenants to cause the County to take all actions necessary to levy such *ad valorem* tax.

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

SECTION 14. Tax Covenants.

(a) The District covenants that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, so that the Bonds will not constitute arbitrage bonds under Section 148 of the Code and the applicable regulations prescribed under that Section or any predecessor section. Calculations for determining arbitrage requirements are the sole responsibility of the District.

(b) The District covenants for and on behalf of the Owners that it 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 the Bonds under Section 103 of the Code.

SECTION 15. Legislative Determinations.

(a) The Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

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

(c) The Board hereby authorizes the Bonds to be designated by an Authorized Officer as "bank qualified" under the provisions of Section 265(b)(3) of the Code.

SECTION 16. Official Statement. The Preliminary Official Statement relating to the Bonds, substantially in the form on file with the Clerk of the Board is hereby approved and the Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deliver such Preliminary Official Statement to Underwriter to be used in connection with the offering and sale of the Bonds. The Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deem the Preliminary Official Statement "final" pursuant to 15c2-12 of the Securities Exchange Act of 1934, prior to its distribution and to execute and deliver to the Underwriter a final Official Statement, substantially in the form of the Preliminary Official Statement, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same shall approve. The Underwriter is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Bonds and is directed to deliver copies of any final Official Statement to the purchasers of the Bonds. Execution of the Official Statement shall conclusively evidence the District's approval of the Official Statement.

SECTION 17. Insurance. In the event the District purchases bond insurance for the Bonds, and to the extent that the Bond Insurer makes payment of the Principal of, interest or Accreted Interest on the Bonds, it shall become the owner of such Bonds with the right to payment of Principal, interest or Accreted Interest on the Bonds, and shall be fully subrogated to all of the Owners' rights, including the Owners' rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims that were past due interest components, the Paying Agent shall note the Bond Insurer's rights as subrogee on the registration books for the Bonds maintained by the Paying Agent upon receipt of a copy of the cancelled check issued by the Bond Insurer for the payment of such interest to the Owners of the Bonds, and (ii) in the case of subrogation as to claims for past due Principal or Accreted Value, the Paying Agent shall note the Bond Insurer as subrogee on the registration books for the Bonds maintained by the Paying Agent upon surrender of the Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

SECTION 18. Defeasance. All or any portion of the outstanding maturities of the Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which together with amounts then on deposit in the Debt

Service Fund (as hereinafter defined) is sufficient to pay all Bonds designated for defeasance, including all Principal and interest and premium, if any; or

(b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and moneys then on deposit in the Debt Service Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all Bonds designated for defeasance (including all Principal and interest represented thereby and prepayment premiums, if any) at or before their maturity date;

then, notwithstanding that any of such Bonds shall not have been surrendered for payment, all obligations of the District with respect to all such designated outstanding Bonds shall cease and terminate, except only the obligation of the Paying Agent or an independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section, to the owners of such designated Bonds not so surrendered and paid all sums due with respect thereto.

For purposes of this Section, Government Obligations shall mean:

Direct and general obligations of the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, or "prerefunded" municipal obligations rated in the highest rating category by Moody's Investors Service or Standard & Poor's. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (i) a bank or trust company acts as custodian and holds the underlying United States obligations; (ii) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (iii) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed "AAA" by Standard & Poor's or "Aaa" by Moody's Investors Service.

SECTION 19. Request to County to Levy Tax. 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 Bonds in such year, and to pay from such taxes all amounts due on the Bonds. The District hereby requests the Board of Supervisors to annually levy a tax upon all taxable property in the District sufficient to redeem the Bonds, and to pay the principal, redemption premium, in any, and interest thereon as and when the same become due.

SECTION 20. Other Actions.

(a) Officers of the Board and District officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Bonds and otherwise carry out, give effect to and comply with the terms and intent of this

Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

(b) The Board hereby appoints E. J. De La Rosa & Co., Inc., as the Underwriter, and Stradling, Yocca, Carlson & Rauth, a Professional Corporation, as bond counsel, and Annette Yee and Company, as financial advisor with respect to the issuance of the Bonds.

(c) The provisions of this Resolution as they relate to the terms of the Bonds may be amended by the Purchase Contract and the Official Statement.

SECTION 21. Resolution to Treasurer-Tax Collector. The Clerk of the Board is hereby directed to provide a certified copy of this Resolution to the Treasurer immediately following its adoption.

SECTION 22. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. Any Bondholder 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 Section. Noncompliance with this Section shall not constitute a default hereunder or result in acceleration of the Bonds.

SECTION 23. Supplemental Resolution.

(a) This Resolution, and the rights and obligations of the District and of the Owners of the Bonds issued hereunder, may be modified or amended at any time by a supplemental resolution adopted by the District with the written consent of Owners owning at least 60% in aggregate Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the District; provided, however, that no such modification or amendment shall, without the express consent of the Owner of each Bond affected, reduce the principal amount of any Bond, reduce the interest rate payable thereon, advance the earliest redemption date thereof, extend its maturity or the times for paying interest thereon or change the monetary medium in which principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification. No such Supplemental Resolution shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto. Notwithstanding anything herein to the contrary, no such consent shall be required if the Owners are not directly and adversely affected by such amendment or modification.

(b) This Resolution, and the rights and obligations of the District and of the Owners of the Bonds issued hereunder, may be modified or amended at any time by a supplemental resolution adopted by the District without the written consent of the Owners:

(i) To add to the covenants and agreements of the District in this Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(ii) To add to the limitations and restrictions in this Resolution, other limitations and restrictions to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(iii) To confirm as further assurance any pledge under, and the subjection to any lien or pledge created or to be created by, this Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Resolution;

(iv) To cure any ambiguity, supply any omission, or cure to correct any defect or inconsistent provision in this Resolution; or

(v) To amend or supplement this Resolution in any other respect, provided such Supplemental Resolution does not adversely affect the interests of the Owners.

(c) Any act done pursuant to a modification or amendment so consented to shall be binding upon the Owners of all the Bonds and shall not be deemed an infringement of any of the provisions of this Resolution, whatever the character of such act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of this Resolution, and after consent relating to such specified matters has been given, no Owner shall have any right or interest to object to such action or in any manner to question the propriety thereof or to enjoin or restrain the District or any officer or agent of either from taking any action pursuant thereto.

SECTION 24. Resolution To Constitute Contract. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall own the same from time to time, this Resolution shall be deemed to be and shall constitute a contract among the District and the Owners from time to time of the Bonds; and the pledge made in this Resolution shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds, all of which, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof.

SECTION 25. Unclaimed Moneys. Anything in this Resolution to the contrary notwithstanding, any moneys held by the Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for one (1) year after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Paying Agent at such date, or for one (1) year after the date of deposit of such moneys if deposited with the Paying Agent after said date when such Bonds become due and payable, shall be repaid by the Paying Agent to the District, as its absolute property and free from trust, and the Paying Agent shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the District for the payment of such Bonds; provided, however, that before being required to make such payment to the District, the Paying Agent shall, at the expense of District, cause to be mailed to the Owners of all such Bonds, at their respective addresses appearing on the registration books, a notice that said moneys remain unclaimed and that, after a date in said notice, which date shall not be less than thirty (30) days after the date of mailing such notice, the balance of such moneys then unclaimed will be returned to the District.

SECTION 26. Effective Date. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 2nd day of June, 2010, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

President, Board of Trustees
Manhattan Beach Unified School District

Attest:

Clerk, Board of Trustees
Manhattan Beach Unified School District

CLERK'S CERTIFICATE

I, _____, Clerk to the Board of Trustees of the Manhattan Beach Unified School District, hereby certify as follows:

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 and legally held at the regular meeting place thereof on June 2, 2010, of which meeting all of the members of the Board of said District had due notice and at which a quorum was present.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

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: _____, 2010

Clerk

PRELIMINARY OFFICIAL STATEMENT

PRELIMINARY OFFICIAL STATEMENT DATED JUNE __, 2010

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Series B Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the Series B Bonds is exempt from State of California personal income tax. The District has designated the Series B Bonds as "bank qualified" under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "LEGAL MATTERS—Tax Matters" herein.

NEW ISSUE—FULL BOOK-ENTRY
STATE OF CALIFORNIA

RATINGS: (See "MISCELLANEOUS—Ratings" herein.)
COUNTY OF LOS ANGELES

§ _____
MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
(LOS ANGELES COUNTY, CALIFORNIA)
ELECTION OF 2008 GENERAL OBLIGATION BONDS
2010 SERIES B

Dated: Date of Delivery

Due: September 1, as shown on the inside cover

This Official Statement describes the Manhattan Beach Unified School District, Los Angeles County, California, Election of 2008 General Obligation Bonds, 2010 Series B (the "Series B Bonds"). The Series B Bonds are being issued by the Board of Trustees ("Board of Trustees") of the Manhattan Beach Unified School District (the "District"). The Series B Bonds were authorized at an election of the registered voters of the District held on November 4, 2008, at which more than fifty-five percent of the persons voting on the proposition voted to authorize the issuance and sale of \$67,480,000 principal amount of general obligation bonds of the District (the "Authorization"). The Series B Bonds represent the second series of bonds issued under the Authorization and are being issued to finance the rehabilitation of Mira Costa High School and the payment of certain lease payments related to the \$12,020,000 Manhattan Beach Unified School District Certificates of Participation Series A of 2001 (the "2001 Certificates").

The Series B Bonds are general obligation bonds of the District payable solely from *ad valorem* property taxes levied on taxable property within the District. The Board of Supervisors of Los Angeles County is empowered and is obligated to levy *ad valorem* taxes, without limitation of rate or amount, upon all property within the District subject to taxation by the District (except certain personal property which is taxable at limited rates), for the payment of interest on and principal of the Series B Bonds when due. The District has other outstanding general obligation bonds (which are secured by and payable from *ad valorem* taxes levied on taxable property within the District. See "SECURITY FOR THE BONDS" and "TAX BASE FOR REPAYMENT OF BONDS—*Ad Valorem* Property Taxation" herein.

The Series B Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for The Depository Trust Company, New York, New York (collectively referred to herein as "DTC"). Purchasers will not receive certificates representing their interest in the Series B Bonds. Payments of principal of and interest on the Series B Bonds will be paid by U.S. Bank National Association, as agent of the Treasurer and Tax Collector of Los Angeles County, as the designated paying agent, authenticating agent and transfer agent (the "Paying Agent"), to DTC for subsequent disbursement to DTC Participants (defined herein) who will remit such payments to the beneficial owners of the Series B Bonds. See "THE SERIES B BONDS—DTC Book-Entry Only" herein.

The Series B Bonds will be issued as convertible capital appreciation bonds (the "Series B Convertible Bonds") and capital appreciation bonds (the "Series B Capital Appreciation Bonds").

The Series B Capital Appreciation Bonds are dated the date of delivery of the Series B Bonds and accrete interest from such date, compounded semiannually on March 1 and September 1 of each year, commencing September 1, 2010, which accreted interest is payable only at maturity.

The Series B Convertible Bonds are dated the date of delivery of the Series B Bonds and each maturity thereof will accrete interest from such date to its Conversion Date (defined herein) and will bear interest payable on its Conversion Value (defined herein) semiannually on each March 1 and September 1 following its Conversion Date.

The Series B Convertible Bonds are subject to optional redemption and mandatory sinking fund redemption prior to maturity as described herein. The Series B Capital Appreciation Bonds are subject to optional redemption prior to maturity as described herein. See "THE SERIES B BONDS—Redemption Provisions" herein.

THE SERIES B BONDS ARE GENERAL OBLIGATION BONDS OF THE DISTRICT AND DO NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE COUNTY. NO PART OF ANY FUND OF THE COUNTY IS PLEDGED OR OBLIGATED TO THE PAYMENT OF THE SERIES B BONDS.

MATURITY SCHEDULE
(See Inside Front Cover)

This cover page contains certain information for reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series B Bonds will be offered when, as and if issued and received by the Underwriter, subject to the approval of legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel. Certain matters will be passed on for the District by Stradling Yocca Carlson & Rauth, a Professional Corporation, Disclosure Counsel. The Series B Bonds, in book-entry form, will be available for delivery through the facilities of The Depository Trust Company in New York, New York on or about July __, 2010.

[E. J. DE LA ROSA & CO., INC. LOGO]

Dated: June __, 2010

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

MATURITY SCHEDULE

ELECTION OF 2008 GENERAL OBLIGATION BONDS, 2010 SERIES B

\$ _____ **Series B Capital Appreciation Bonds***

<i>Maturity Date (September 1)*</i>	<i>Original Principal Amount*</i>	<i>Accretion Rate</i>	<i>Reoffering Yield to Maturity</i>	<i>Maturity Value</i>	<i>CUSIP†</i>
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\$ _____ **Series B Convertible Capital Appreciation Bonds***

<i>Maturity Date (September 1)*</i>	<i>Original Principal Amount*</i>	<i>Conversion Date</i>	<i>Accretion Rate</i>	<i>Reoffering Yield to Maturity</i>	<i>Conversion Value</i>	<i>Coupon Upon Conversion</i>	<i>CUSIP†</i>
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* Preliminary, subject to change.

† Copyright 2010, American Bankers Association. CUSIP® data herein is provided by Standard & Poor's, CUSIP® Service Bureau, a division of The McGraw-Hill Companies, Inc. Neither, the District, the County nor the Underwriter takes any responsibility for the accuracy of such data.

No dealer, broker, salesperson or other person has been authorized by the District, the County or the Underwriter to give any information or to make any representations other than those contained herein. If given or made, such other information or representations must not be relied upon as having been authorized by the District, the County or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

“The Underwriter has 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 Underwriter does not guarantee the accuracy or completeness of such information.”

The information and expression 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 or any other parties described herein since the date hereof. This Official Statement is being 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, unless authorized in writing by the District. All summaries of documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as a “plan,” “expect,” “estimate,” “project,” “budget” or similar words. Such forward-looking statements include, but are not limited to certain statements contained in the information under the captions “THE DISTRICT,” and “DISTRICT FINANCIAL MATTERS” herein.

The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. While the District has agreed to provide certain on-going financial and operating data on an annual basis, it 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 statements are based change. See “CONTINUING DISCLOSURE” and Appendix C—“FORM OF CONTINUING DISCLOSURE CERTIFICATE” herein.

All information material to the making of an informed investment decision with respect to the Bonds is contained in this Official Statement. While the District maintains an internet website for various purposes, none of the information on its website is incorporated by reference into this Official Statement. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded.

WITH RESPECT TO THIS OFFERING, THE UNDERWRITER MAY ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE 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 UNDERWRITER MAY OFFER AND SELL THE BONDS DESCRIBED HEREIN TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED IN THIS OFFICIAL STATEMENT AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT AND HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

Board of Trustees

Ida VanderPoorte, President
Amy Howorth, Vice President
Bill Fournell, Clerk
Ellen Rosenberg, Member
Penny Bordokas, Member

School District Administrators

Beverly J. Rohrer, Ed.D., Superintendent
Steven Romines, Ph.D., Assistant Superintendent of Administrative Services and Chief Business Official
Ellyn Schneider, Executive Director of Student Services
Carolyn Seaton, Executive Director of Educational Services
Kathy Hall, Director of Human Resources

PROFESSIONAL SERVICES

Bond Counsel and Disclosure Counsel

Stradling Yocca Carlson & Rauth, a Professional Corporation
Newport Beach, California

Financial Advisor

Annette Yee and Company
Carmel, California

Paying Agent

U.S. Bank National Association
Los Angeles, California

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**MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
(LOS ANGELES COUNTY, CALIFORNIA)
ELECTION OF 2008 GENERAL OBLIGATION BONDS
2010 SERIES B**

INTRODUCTION

This Official Statement (which includes the cover page, the Table of Contents and the Appendices attached hereto) is furnished by the Manhattan Beach Unified School District (the "District"), located in Los Angeles County, California, to provide information concerning the Manhattan Beach Unified School District, Los Angeles County, California, Election of 2008 General Obligation Bonds, 2010 Series B (the "Series B Bonds").

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

The District

The District was established in 1912, unified in 1993, and consists of an area comprising approximately 3.88 square miles in the southwestern portion of Los Angeles County (the "County"). Its boundaries are coterminous with the City of Manhattan Beach. The District operates five elementary schools, one middle school, and one high school. The total enrollment in the District during fiscal year 2009-10 was approximately 6,568 students as of March 11, 2010, and is projected to be approximately 6,568 for fiscal year 2010-11.

The District is governed by a five-member Board of Trustees (the "Board"), each member of which 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 management and policies of the District are administered by a Board appointed Superintendent who is responsible for the day-to-day operations and the supervision of other key personnel. See "THE DISTRICT."

Sources of Payment for the Bonds

Ad Valorem Taxes. The Series B Bonds are general obligation bonds of the District approved by the voters of the District at a November 4, 2008 election. At the election, the voters approved the issuance of \$67,480,000 of bonds, and the District issued a first series in July 2009 in the amount of \$7,651,589.45. The Series B Bonds are the second issuance pursuant to the 2008 election. The Board of Supervisors of the County of Los Angeles has the power and is obligated annually to levy *ad valorem* taxes for the payment of the Series B Bonds and the interest thereon upon all property within the District subject to taxation by the District without limitation of rate or amount (except certain personal property which is taxable at limited rates). See "SECURITY FOR THE BONDS" herein.

THE SERIES B BONDS ARE GENERAL OBLIGATION BONDS OF THE DISTRICT AND DO NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE COUNTY. NO PART OF ANY FUND OF THE COUNTY IS PLEDGED OR OBLIGATED TO THE PAYMENT OF THE SERIES B BONDS.

* Preliminary, subject to change.

Purpose of Issue

Proceeds from the Series B Bonds will be used to pay \$739,293 of lease payments related to the \$12,020,000 Manhattan Beach Unified School District Certificates of Participation Series A of 2001 (the "2001 Certificates") and to finance improvements to the District's Mira Costa High School as authorized by the voters at the November 4, 2008 election.

Description of the Series B Bonds

The Series B Bonds. The Series B Bonds will be issued as capital appreciation bonds (the "Series B Capital Appreciation Bonds") and convertible capital appreciation bonds (the "Series B Convertible Bonds"). The Series B Bonds mature on September 1 in the years and are being issued in the principal amounts set forth on the inside cover page of this Official Statement.

Payments. The Series B Capital Appreciation Bonds are payable only at maturity, and will not pay interest on a current basis. The maturity amount of each Series B Capital Appreciation Bond is equal to its Accreted Value (as defined below) upon the maturity thereof (the "Maturity Value"), being comprised of its initial principal amount plus the interest compounded thereon between the delivery date and the maturity date. Each Series B Capital Appreciation Bond accretes in value from its initial principal amount on the date of delivery to its Maturity Value on the maturity thereof at the applicable rate per annum set forth in Appendix F hereto, compounded semiannually on March 1 and September 1 of each year, commencing September 1, 2010.

The Series B Convertible Bonds initially are issued as capital appreciation bonds and will convert to current interest bonds ("Current Interest Bonds") on the date set forth on the inside cover page of this Official Statement (the "Conversion Date"). During the period while the Series B Convertible Bonds are in the form of capital appreciation bonds, they will not pay interest on a current basis but will accrete interest through the Conversion Date at the rate set forth on the inside cover hereof. From and after the Conversion Date, the Series B Convertible Bonds will bear interest payable on a current basis on the Conversion Value (as defined herein) of such Series B Convertible Bonds on the Conversion Date. No payment will be made to Owners of Series B Convertible Bonds on or prior to the Conversion Date.

Registration. The Series B Bonds will be issued in fully registered form only, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to actual purchasers of the Series B Bonds (the "Beneficial Owners") in the denominations set forth on the cover page hereof, under the book-entry only system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners of each series of bonds will not be entitled to receive physical delivery of the Series B Bonds. See "THE SERIES B BONDS—Book-Entry Only System" herein.

Denominations. The Series B Bonds will be issued and beneficial ownership interests may be purchased by Beneficial Owners in denominations of \$5,000 Maturity Value in the case of Series B Capital Appreciation Bonds, or any integral multiple thereof and \$5,000 Conversion Value or any integral multiple thereof in the case of Series B Convertible Bonds. One Series B Capital Appreciation Bond may have an odd Maturity Value in excess of \$5,000.

Redemption. The Series B Convertible Bonds are subject to optional redemption and mandatory sinking fund redemption prior to maturity as described herein. The Series B Capital Appreciation Bonds are subject to optional redemption prior to maturity as described herein. See "THE SERIES B BONDS—Redemption Provisions" herein.

Tax Matters

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel, based on existing statutes, regulations, rulings and judicial decisions and assuming compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Series B Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income tax. In the further opinion of Bond Counsel, interest is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations nor is it included in adjusted current earnings when calculating federal corporate alternative minimum taxable income. In addition, the difference between the issue price of a Series B Bond (the first price at which a substantial amount of a Series B Bond of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to a Series B Bond constitutes original issue discount, and the amount of original issue discount that accrues to the owner of the Series B Bond is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State of California personal income tax. See “LEGAL MATTERS—Tax Matters” herein.

Authority for Issuance of the Bonds

As described below, the Series B Bonds are issued pursuant to certain provisions of the State of California Government Code, as well as other applicable law, and pursuant to a resolution adopted by the Board of Trustees of the District. See “THE SERIES B BONDS—Authority for Issuance” herein.

Offering and Delivery of the Bonds

The Series B Bonds are offered when, as and if issued, subject to approval as to the validity by Bond Counsel. It is anticipated that the Series B Bonds will be available for delivery through the facilities of DTC in New York, New York on or about July __, 2010.

Continuing Disclosure

The District will covenant for the benefit of bondholders to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain enumerated events, if material, in compliance with Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission. The specific nature of the information to be made available and of the notices of material events is summarized below under the caption “CONTINUING DISCLOSURE” and Appendix C—“FORM OF CONTINUING DISCLOSURE CERTIFICATE” herein.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of documents referred to herein and information concerning the Series B Bonds are available from the Superintendent, Manhattan Beach Unified School District, 325 South Peck Avenue, Manhattan Beach, California 90266, telephone: (310) 318-8345 . The District may impose a charge for copying, mailing and handling.

This Official Statement is not to be construed as a contract with the purchasers of the Series B Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entireties by reference to each of such documents, statutes and constitutional provisions.

The information set forth herein, other than that provided by the District, has been obtained from official sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness by the District. The information and expressions of opinions 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 Series B Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

All terms used herein and not otherwise defined shall have the meanings given such terms in the Series B Resolution (as defined below).

THE SERIES B BONDS

Authority for Issuance

The Series B Bonds are issued pursuant to the 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 (the "Act"), and pursuant to a resolution adopted by the Board of Trustees of the District on June 2, 2010 (the "Series B Resolution"). Pursuant to a resolution adopted by the Board of Supervisors of the County on June 15, 2010, the Board of Supervisors of the County, on behalf of the District, has agreed that it will annually levy *ad valorem* taxes for the payment of the principal and interest on the Series B Bonds. See "SECURITY FOR THE SERIES B BONDS" herein.

The District received authorization at an election held on November 4, 2008 by more than fifty-five percent of the votes cast by eligible voters within the District, to issue up to \$67,480,000 of general obligation bonds (the "Authorization"). In 2009, the District issued a first series of bonds pursuant to the Authorization in the principal amount of \$7,651,589.45. The Series B Bonds represent the second series of bonds issued under the Authorization and are being issued to make improvements to the District's high school and to pay certain lease payments with respect to the 2001 Certificates.

Description of the Series B Bonds

The Series B Bonds will be issued as Series B Capital Appreciation Bonds and Series B Convertible Bonds.

The Series B Capital Appreciation Bonds are dated the date of delivery of the Series B Bonds and accrete interest from such date, compounded semiannually on March 1 and September 1 of each year, commencing September 1, 2010, payable only upon maturity. Interest will accrete on the basis of a 360-day year comprised of twelve 30-day months. The Series B Capital Appreciation Bonds are issuable in denominations of \$5,000 of Maturity Value or any integral multiple thereof, except that one Series B Capital Appreciation Bond may have an odd Maturity Value in excess of \$5,000. See the Maturity Schedule on the inside cover and "—Debt Service Schedule" below.

The Series B Convertible Bonds are issuable in denominations of \$5,000 Conversion Value or any integral multiple thereof. Interest on the Series B Convertible Bonds will accrete from their date of issuance to an amount equal to the Conversion Value on the Conversion Date. The Conversion Value represents the initial principal amount thereof (the "Principal Amount"), plus interest accreted thereon, calculated from the date of initial issuance to any date of calculation through the Conversion Date at the stated yield set forth on the inside cover page hereof, compounded on each March 1 and September 1, assuming in any such semiannual period that the accreted value increases in equal daily amounts on the basis of a 360-day year of twelve 30 day months (the "Conversion Value"). The accreted value for the Series B Convertible Bonds on each March 1 and September 1 in each of the years through the Conversion Date is set forth in Appendix F. The amount of Accreted Value as of any March 1 and September 1 determined by the Paying Agent in accordance with the

provisions of the Series B Resolution shall control over any different amount of Accreted Value determined by reference to Appendix F. See APPENDIX F—"TABLE OF ACCRETED VALUES."

Following the Conversion Date, the Series B Convertible Bonds will be current interest bonds bearing interest payable semiannually at the rate set forth on the inside cover hereof on March 1 and September 1 of each year until maturity or earlier redemption.

Accreted Values

Appendix F contains a table of the original principal plus Accreted Interest on the Series B Capital Appreciation Bonds and the Series B Convertible Bonds (together, the "Accreted Value") as of each March 1 and September 1 for each maturity of Series B Capital Appreciation Bonds and Series B Convertible Bonds. The amount of Accreted Value as of any March 1 and September 1 determined by the Paying Agent in accordance with the provisions of the Series Resolution shall control over any different amount of Accreted Value determined by reference to Appendix F.

Paying Agent

U.S. Bank National Association will act as agent of the Treasurer and Tax Collector of Los Angeles County, as the designated paying agent, authenticating agent and transfer agent (the "Paying Agent") for the Series B Bonds.

If the Paying Agent resigns or is removed by the District, a successor Paying Agent will be appointed by the District with the consent of the Treasurer-Tax Collector of the County of Los Angeles. Any successor Paying Agent selected by the District, other than the Treasurer, may be any bank, trust company, national banking association or other financial institution doing business in the State of California and with at least \$50,000,000 in net assets.

Redemption Provisions

Optional Redemption of Series B Capital Appreciation Bonds. The Series B Capital Appreciation Bonds maturing on September 1, 20__ may be redeemed prior to maturity at the option of the District, from any source of funds, in whole or in part on September 1, 20__, or on any date thereafter, at a redemption price equal to 100% of the Accreted Value thereof, together with interest accrued thereon to the date fixed for redemption, without premium.

Optional Redemption of the Series B Convertible Bonds. The Series B Convertible Bonds maturing on September 1, 20__ may be redeemed prior to maturity at the option of the District, from any source of funds, in whole or in part on September 1, 20__, or on any date thereafter, at a redemption price equal to 100% of the Conversion Value thereof, together with interest accrued thereon to the date fixed for redemption, without premium.

Sinking Fund Redemption of Series B Convertible Bonds. The Series B Convertible Bonds maturing on September 1, 20__ are subject to mandatory sinking fund redemption on the following dates and in the following amounts at a redemption price equal to the Conversion Value to be redeemed, together with accrued interest to the redemption date, without premium as follows:

<i>Year (September 1)</i>	<i>Conversion Value To Be Redeemed</i>
-------------------------------	--

†

† Final Maturity

Selection of Bonds for Redemption. Whenever provision is made in the Series B Resolution for the redemption of the Series B Bonds and less than all Series B Bonds are to be redeemed, the Paying Agent, upon written instruction from an Authorized Representative of the District, shall select Series B Bonds for redemption from such maturity or maturities in accordance with such written instructions. Within a maturity, the Paying Agent shall select Series B Bonds for redemption in such manner as directed by the District or if not so directed then by lot. The portion of any Series B Convertible Bond to be redeemed in part shall be in integral multiples of the Accreted Value per \$5,000 Conversion Value of such Series B Convertible Bond.

Notice of and Effect of Redemption of the Series B Bonds

At least 30 but not more than 60 days prior to the redemption date, a redemption notice shall be given to the owners of Series B Bonds designated for redemption by first class mail, postage redeemed, at their addresses appearing on the registration books of the Paying Agent. Neither failure to receive any redemption notice nor any defect in any such redemption notice so given shall affect the sufficiency of the proceedings for the redemption of the Series B Bonds.

If on a redemption date money for the redemption of the Series B Bonds to be redeemed, together with interest accrued to such redemption date, are held by the Paying Agent, and if notice of redemption thereof shall have been given as set forth in the Series B Resolution, then from and after such redemption date, interest with respect to the Series B Bonds to be redeemed shall cease to accrue and become payable. When any Series B Bonds (or portions thereof) which have been duly called for redemption prior to maturity, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent and sufficient moneys are held by the Paying Agent irrevocably in trust for the payment of the redemption price of such Series B Bonds or portions thereof, then such Series B Bonds shall no longer be deemed outstanding and shall be surrendered to the Paying Agent for cancellation.

Any redemption notice for an optional redemption of the Series B Bonds delivered may be conditional, and, if any condition stated in the redemption notice shall not have been satisfied on or prior to the redemption date: (i) the redemption notice shall be of no force and effect, (ii) the District shall not be required to redeem such Series B Bonds, (iii) the redemption shall not be made, and (iv) the Paying Agent shall within a reasonable time thereafter give notice to the persons in the manner in which the conditional redemption notice was given that such condition or conditions were not met and that the redemption was canceled.

Book-Entry Only System

The Series B Bonds will be issued as one fully registered bond without coupons for each maturity and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the Series B Bonds. Individual purchases may be made in book-entry form only, in the principal

amount of \$5,000 for Series B Convertible Bonds and \$5,000 Maturity Value for Series B Capital Appreciation Bonds and integral multiples thereof for each maturity. Purchasers will not receive certificates representing their interest in the Series B Bonds purchased. Principal and interest will be paid to DTC, which will in turn remit such principal and interest to its participants for subsequent dispersal to the Beneficial Owners of the Series B Bonds as described herein. See Appendix E—"BOOK ENTRY ONLY SYSTEM" herein.

Defeasance

All or a portion of the outstanding Series B Bonds may be paid and discharged in any one or more of the following ways:

- (1) by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which together with amounts then on deposit in the Debt Service Fund, is fully sufficient to pay all or a designated portion of the Series B Bonds outstanding at maturity thereof, including all principal, premium, if any, Accreted Value and all interest thereon; or
- (2) by irrevocably depositing with an independent escrow agent selected by the District Government noncallable United States Obligations (as defined below), together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with the interest to accrue thereon and moneys then on deposit in the Debt Service Fund together with interest to accrue thereon, be fully sufficient to pay and discharge all, or a designated portion of the Series B Bonds outstanding at maturity thereof, including all principal, premium, if any, Accreted Value and all interest thereon.

If a Series B Bond is defeased as described above, then, all obligations of the County, the District and the Paying Agent under the Series Resolution with respect to such outstanding Series B Bond shall cease and terminate, whether or not such Series B Bond has been surrendered for payment, except only the obligation of the District and the Paying Agent to pay or cause to be paid to the Owners of the Series B Bonds all sums due thereon from the amounts on deposited pursuant to (1) and (2) above, the obligations of the District with respect to the Rebate Fund and the obligation of the Paying Agent to the owners of such designated Series B Bonds not so surrendered and paid all sums due with respect thereto.

In the Series B Resolution, Government Obligations are defined as:

Direct and general obligations of the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, or "prerefunded" municipal obligations rated in the highest rating category by Moody's Investors Service or Standard & Poor's. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (i) a bank or trust company acts as custodian and holds the underlying United States obligations; (ii) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (iii) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed "AAA" by Standard & Poor's or "Aaa" by Moody's Investors Service.

Supplemental Resolutions

(a) The Series Resolution and the rights and obligations of the District and of the Owners of the Bonds, may be modified or amended at any time by a supplemental resolution adopted by the District with the written consent of Owners owning at least 60% in aggregate Bond Obligation of the Outstanding Series B Bonds, exclusive of Series B Bonds owned by the District; provided, however, that no such modification or amendment shall, without the express consent of the Owner of each Series B Bond affected, reduce the principal amount of any Series B Bond, reduce the interest rate payable thereon, advance the earliest redemption date thereof, extend its maturity or the times for paying interest thereon or change the monetary medium in which principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification. No such Supplemental Resolution shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto. Notwithstanding anything in the Series B Resolution to the contrary, no such consent shall be required by the Owners of Series B Bonds if the Owners are not directly and adversely affected by such amendment or modification.

(b) The Series Resolution and the rights and obligations of the District and of the Owners of the Bonds may be modified or amended at any time by a supplemental resolution adopted by the District, without the written consent of the Owners:

(1) To add to the covenants and agreements of the District in the Series B Resolution other covenants and agreements to be observed by the District which are not contrary to or inconsistent with the Series B Resolution as theretofore in effect;

(2) To add to the limitations and restrictions in the Series B Resolution, other limitations and restrictions to be observed by the District which are not contrary to or inconsistent with the Series B Resolution as theretofore in effect;

(3) To confirm as further assurance any pledge under, and the subjection to any lien or pledge created or to be created by the Series B Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under the Series B Resolution;

(4) To cure any ambiguity, supply any omission, or cure to correct any defect or inconsistent provision in the Series B Resolution; or

(5) To amend or supplement the Series B Resolution in any other respect, provided such Supplemental Resolution does not adversely affect the interests of the Owners.

(c) Any act done pursuant to a modification or amendment so consented to shall be binding upon all the Owners of the affected Series B Bonds and shall not be deemed an infringement of any of the provisions of the Series B Resolution, whatever the character of such act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of the Series B Resolution, and after consent relating to such specified matters has been given, no Owner shall have any right or interest to object to such action or in any manner to question the propriety thereof or to enjoin or restrain the District or any officer or agent of either from taking any action pursuant thereto.

In the Series B Resolution, Bond Obligation is defined as:

From time to time as of the date of calculation, with respect to the Series B Capital Appreciation Bond, the Accreted Value thereof, and, with respect to any Series B Convertible Bond, prior to the Conversion Date the Accreted Value thereof and after the Conversion Date the Conversion Value thereof.

Unclaimed Moneys

Anything in the Series B Resolution to the contrary notwithstanding, any moneys held by the Paying Agent in trust for the payment and discharge of any of the Series B Bonds which remain unclaimed for one year after the date when such Series B Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Paying Agent at such date, or for one year after the date of deposit of such moneys if deposited with the Paying Agent after said date when such Series B Bonds become due and payable, shall be repaid by the Paying Agent to the District, as its absolute property and free from trust, and the Paying Agent shall thereupon be released and discharged with respect thereto and the Owners of the Series B Bonds shall look only to the District for the payment of such Series B Bonds; provided, however, that before being required to make such payment to the District, the Paying Agent shall, at the expense of District, cause to be mailed to the Owners of all such Series B Bonds at their respective addresses appearing on the registration books, a notice that said moneys remain unclaimed and that, after a date in said notice, which date shall not be less than 30 days after the date of mailing such notice, the balance of such moneys then unclaimed will be returned to the District.

Sources and Uses of Funds

The estimated sources and uses of funds in connection with the Bonds are as follows:

<i>Sources of Funds</i>	<i>Total</i>
Principal Amount of Bonds	\$
Net Original Issue Premium	
Total Sources of Funds	<u>\$</u>
<i>Uses of Funds</i>	
Building Fund ⁽¹⁾	\$
Debt Service Fund	
Costs of Issuance ⁽²⁾	
Total Uses of Funds	<u>\$</u>

⁽¹⁾ Approximately \$739,293 of this amount will be applied to pay principal and interest due with respect to the 2001 Certificates on August 1, 2010.

⁽²⁾ All costs of issuance including Underwriter's discount.

Application and Investment of Bonds Proceeds and Tax Revenues

The proceeds from the sale of the Series B Bonds paid to the District by the Underwriter to the extent of the Principal amount thereof shall be deposited in the Manhattan Beach Unified School District Election of 2008 General Obligation Bond, 2010 Series B Building Fund (the "Building Fund") established under the Series B Resolution and shall be kept separate and distinct from all other District and County funds. Interest earned on the investment of monies held in the Building Fund shall be retained in the Building Fund. The proceeds shall be used for the purpose for which the Series B Bonds are issued.

The original issue premium, if any, remaining after payment of all costs of issuance and received from the sale of the Series B Bonds and the *ad valorem* property taxes securing the payment of the Series B Bonds, when received, shall be kept separate and apart in the Manhattan Beach Unified School District Election of 2008 General Obligation Bond, 2010 Series B Debt Service Fund (the "Debt Service Fund") established under the Series Resolution B and used only for payments of principal and interest on the Series B Bonds. Interest earned on the investment of monies held in the Debt Service Fund shall be retained in the Debt Service Fund and used to pay principal and interest on the Series B Bonds when due.

Any excess proceeds of the Series B Bonds not needed for the purpose for which the Series B Bonds are issued shall be transferred from the Building Fund to the Debt Service Fund and applied to the payment of principal and interest on the Series B Bonds. If after payment in full of the Series B Bonds there remains excess proceeds, any such excess amounts shall be transferred to the District’s General Fund. Amounts which the District determines are required to be rebated to the federal government will be deposited in the Manhattan Beach Unified School District Election of 2008 General Obligation Bond, 2010 Series B Rebate Fund (the “Rebate Fund”) established under the Series Resolution.

Investment of Bond Proceeds. Monies held in the Building Fund, the Debt Service Fund and the Rebate Fund established under the Series B Resolution may be invested in any investment permitted by law.

It is anticipated that monies in the Building Fund, the Rebate Fund and the Debt Service Fund will be invested in the Los Angeles County Pooled Investment Fund described below.

Los Angeles County Treasury Pool

The information in this section has been provided by the County. While the District believes this information to be reliable, neither the District nor the Underwriter has independently verified this information and does not guaranty the accuracy or completeness thereof.

The Treasurer and Tax Collector of Los Angeles County has the delegated authority to invest funds on deposit in the County Treasury (the “Treasury Pool”). As of March 31, 2010, investments in the Treasury Pool were held for local agencies including school districts, community college districts, special districts and discretionary depositors such as cities and independent districts in the following amounts:

<i>Local Agency</i>	<i>Invested Funds (in billions)</i>
County of Los Angeles and Special Districts	\$ 7.752
Schools and Community Colleges	13.744
Independent Public Agencies	<u>2.116</u>
Total	<u>\$ 23.612</u>

Of these entities, the involuntary participants accounted for approximately 91.04%, and all discretionary participants accounted for 8.96% of the total Treasury Pool.

Decisions on the investment of funds in the Treasury Pool are made by the County Investment Officer in accordance with established policy, with certain transactions requiring the Treasurer’s prior approval. In Los Angeles County, investment decisions are governed by Chapter 4 (commencing with Section 53600) of Part 1 of Division 2 of Title 5 of the California Government Code, which governs legal investments by local agencies in the State of California, and by a more restrictive Investment Policy developed by the Treasurer and adopted by the Board of Supervisors on an annual basis. The Investment Policy adopted on March 31, 2009, reaffirmed the following criteria and order of priority for selecting investments: (1) safety of principal; (2) liquidity; and (3) return on investment.

The Treasurer prepares a monthly Report of Investments (the “Investment Report”) summarizing the status of the Treasury Pool, including the current market value of all investments. This report is submitted monthly to the Board of Supervisors. According to the Investment Report dated April 27, 2010, the March 31, 2010 book value of the Treasury Pool was approximately \$23.612 billion and the corresponding market value was approximately \$23.700 billion.

An internal controls system for monitoring cash accounting and investment practices is in place. The Treasurer’s Compliance Auditor, who operates independently from the Investment Officer, reconciles cash and

investments to fund balances daily. The Compliance Auditor's staff also reviews each investment trade for accuracy and compliance with the Board of Supervisors adopted Investment Policy. The County Auditor-Controller's office performs similar cash and investment reconciliations on a quarterly basis and regularly reviews investment transactions for conformance with the approved policies. Additionally, the County's outside independent auditor annually accounts for all investments.

The Treasury Pool is highly liquid. As of March 31, 2010, approximately 47.87% of the investments mature within 60 days, with an average of 516.60 days to maturity for the entire portfolio. The following table identifies the types of securities held by the Treasury Pool as of March 31, 2010.

<i>Type of Investment</i>	<i>Percent of Pool</i>
U.S. Government and Agency Obligations	49.85%
Certificates of Deposit	14.99
Commercial Paper	31.73
Corporate Notes & Deposit Notes	3.39
Municipal Obligations	0.04
Repurchase Agreements	0.00
Asset Backed Instruments	0.00
Bankers Acceptances	0.00
Other	<u>0.00</u>
Total	<u>100.00%</u>

Neither the District nor the Underwriter has made any independent investigation of the investments in the County Treasury Pool or has made any assessment of the current County Investment Policy. The value of the various investments in the County Treasury 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 County Treasury Pool will not vary significantly from the values described herein.

Debt Service Schedule

The following table sets forth the annual debt service on the Series B Bonds:

<i>Period Ending</i>	<i>Series B Capital Appreciation Bonds</i>		<i>Series B Convertible Bonds Total</i>		<i>Semi-Annual Interest</i>	<i>Total Series B Debt Service</i>
	<i>Principal</i>	<i>Accreted Interest</i>	<i>Principal</i>	<i>Accreted Interest</i>		
2027						
2028						
2029						
2030						
2031						
2032						
2033						
2034						
2035						
Total						

The following table summarizes the aggregate annual debt service requirements for all of the District's outstanding general obligation bonds:

**Manhattan Beach Unified School District
Aggregate Annual Debt Service**

<i>Year Ending (August 1)</i>	<i>Prior General Obligation Bonds</i>	<i>Series B Bonds</i>	<i>Total</i>
2010	\$ 4,903,115	\$	\$
2011	5,144,635		
2012	5,410,315		
2013	5,678,540		
2014	5,974,040		
2015	6,283,540		
2016	6,634,540		
2017	6,990,615		
2018	7,384,765		
2019	7,777,600		
2020	8,135,000		
2021	8,602,902		
2022	9,197,528		
2023	9,764,070		
2024	10,460,500		
2025	17,565,000		
2026	12,390,000		
2027	5,355,000		
2028	5,620,000		
2029	5,905,000		
2030	6,200,000		
2031	6,505,000		
2032	--		
2033	--		
2034	--		
2035	--		
2036	--		
2037	--		
Total	<u>\$ 167,881,705</u>	<u>\$</u>	<u>\$</u>

SECURITY FOR THE BONDS

The Series B Bonds are general obligation bonds of the District payable solely from *ad valorem* property taxes levied on taxable property within the District. The County, on behalf of the District, is empowered and obligated annually to levy *ad valorem* taxes, without limitation of rate or amount, for the payment of the principal and interest on the Series B Bonds due and payable in the next succeeding bond year (less amounts on deposit in the Debt Service Fund established under the Series B Resolution), upon all property subject to taxation by the District (except certain personal property which is taxable at limited rates). The Series B Resolution pledges as security for the Series B Bonds the proceeds from the levy of the *ad valorem* tax which are collected and allocated to the payment of the Series B Bonds. See "TAX BASE FOR PREPAYMENT OF BONDS" herein.

The District previously issued \$47,275,000 of general obligation bonds (the "1995 General Obligation Bonds") pursuant to authorization provided at a special election of the registered voters of the District held on November 7, 1995, at which more than two-thirds of the persons voting on the proposition voted to authorize

the issuance and sale of the 1995 General Obligation Bonds. The 1995 General Obligation Bonds are also payable solely from *ad valorem* property taxes levied on taxable property within the District to repay such bonds.

The District previously issued \$26,000,000 of general obligation bonds (the “2000 General Obligation Bonds”) which were refunded in part in 2004 (the “2004 Refunding Bonds”) pursuant to authorization approved by District voters on November 7, 2000. In 2009, the District also issued \$7,651,589.45 of general obligation bonds pursuant to the Authorization (the “Series A Bonds” and together with the 2000 General Obligation Bonds, the 1995 General Obligation Bonds and the 2004 Refunding Bonds, the “Prior General Obligation Bonds”). The 2000 General Obligation Bonds, the 2004 Refunding Bonds and the Series A Bonds are also payable solely from *ad valorem* property taxes levied on taxable property within the District to repay such bonds.

The amount of the annual *ad valorem* tax levied to repay the Series B Bonds and the Prior General Obligation Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Series B Bonds and the Prior General Obligation Bonds in any year. Fluctuations in the annual debt service on the Series B Bonds and the Prior General Obligation Bonds and the assessed value of taxable property in the District may cause the annual tax rate to fluctuate. Economic and other factors beyond the District’s control could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the annual tax rate. These factors include a general market decline in real property values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the federal government, the State of California (the “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 a natural or manmade disaster, such as earthquake, flood or toxic contamination.

The assessed valuations in the District have not declined through January 1, 2009. See “TAX BASE FOR REPAYMENT OF THE BONDS—Historical Data Concerning District Tax Base.” The current decline in real estate values in southern California which began in 2006 could result in lower assessed values in the District and in both a higher annual tax rate within the District and a higher level of delinquencies in tax payments. The County has not adopted the Teeter Plan (defined below). As a result, the District’s receipt of property taxes is subject to delinquencies. See “TAX BASE FOR REPAYMENT OF THE SERIES A BONDS—*Ad Valorem* Property Taxation—*Teeter Plan*.”

THE SERIES B BONDS ARE GENERAL OBLIGATION BONDS OF THE DISTRICT AND DO NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE COUNTY. NO PART OF ANY FUND OF THE COUNTY IS PLEDGED OR OBLIGATED TO THE PAYMENT OF THE SERIES B BONDS.

TAX BASE FOR REPAYMENT OF THE BONDS

The information in this section describes *ad valorem* property taxation, assessed valuation, and other measures of the tax base of the District. The Series B Bonds are payable solely from *ad valorem* taxes levied and collected by the County on taxable property in the District. The District’s General Fund is not a source for the repayment of the Series B Bonds.

***Ad Valorem* Property Taxation**

The collection of property taxes is significant to the District and the owners of the Series A Bonds in two respects. First, the general 1% *ad valorem* property tax levy, which is levied in accordance with Article XIII A of the California Constitution and its implementing legislation, funds a portion of the District’s base revenue limit which is used to operate the District’s educational program. See “DISTRICT FINANCIAL MATTERS—Revenue Limit Sources” below. Second, the Board of Supervisors of the County will levy and

collect *ad valorem* taxes on all taxable parcels within the District which are pledged specifically to the repayment of the Series B Bonds and the Prior General Obligation Bonds. As described below, the general *ad valorem* property tax levy and the additional *ad valorem* property tax levy pledged to repay the Series B Bonds and the Prior General Obligation Bonds will be collected on the annual tax bills distributed by the County to the owners of parcels within the boundaries of the District.

Method of Property Taxation. Beginning in fiscal year 1978-79, Article XIII A and its implementing legislation permitted each county to levy and collect all property taxes (except for levies to support prior voter approved indebtedness) and prescribed how levies on county-wide property values were to be shared with local taxing entities within each county. All property is assessed using full cash value as defined by Article XIII A of the State Constitution. State law, however, provides exemptions from *ad valorem* property taxation for certain classes of property such as churches, colleges, non-profit hospitals, and charitable institutions.

For purposes of allocating a county's 1% base property tax levy, future assessed valuation growth allowed under Article XIII A (new construction, certain changes of ownership, up to 2% inflation) 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 schools will share the growth of "base" sources from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year. The availability of revenue from growth in the tax bases in such entities may be affected by the existence of redevelopment agencies which, under certain circumstances, may be entitled to sources resulting from the increase in certain property values. State law exempts \$7,000 of the assessed valuation of an owner-occupied principal residence. This exemption does not result in any loss of revenue to local agencies since an amount equivalent to the taxes that would have been payable on such exempt values is made up by the State.

Taxes are levied for each fiscal year on taxable real and personal property which is situated in a county as of the preceding January 1. Real property which changes ownership or is newly constructed is revalued at the time the change in ownership occurs or the new construction is completed. The current year property tax rate will be applied to the reassessment, and the taxes will then be adjusted by a proration factor to reflect the portion of the remaining tax year for which taxes are due.

For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State-assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the county assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year, and if unpaid become delinquent on December 10 and April 10, respectively. A penalty of 10 percent attaches immediately to all delinquent payments. Property on the secured roll with respect to which taxes are delinquent becomes tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of 1.5 percent per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is subject to sale by the Treasurer-Tax Collector of the county levying the tax.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10 percent penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5 p.m. on October 31, an additional penalty of 1.5 percent attaches to them on the first day of each month until paid. A county has four ways of collecting delinquent unsecured personal property taxes: (1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the county recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property improvements or possessory interests belonging or assessed to the delinquent taxpayer.

District Assessed Valuation. Both the general 1% *ad valorem* property tax levy and the additional *ad valorem* levy for the Series B Bonds and the Prior General Obligation Bonds are based upon the assessed valuation of the parcels of taxable property in the District. Property taxes allocated to the District are collected by the County at the same time and on the same tax rolls as are county, city and special district taxes. The assessed valuation of each parcel of property is the same for both District and county taxing purposes. The valuation of secured property by the County is established as of January 1, and is subsequently equalized in September of each year, when tax bills are mailed to property owners.

Taxation of State-Assessed Utility Property. A portion of property tax revenue of the District is derived from utility property subject to assessment by the State Board of Equalization (“SBE”). State-assessed property, or “unitary property,” is property of a utility system with components located in many taxing jurisdictions that are assessed as part of a “going concern” rather than as individual pieces of real or personal property. The assessed value of unitary and certain other state-assessed property is allocated to the counties by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

Teeter Plan. Certain counties in the State of California operate under a statutory program entitled Alternate Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”). Under the Teeter Plan local taxing entities receive 100% of their tax levies net of delinquencies, but do not receive interest or penalties on delinquent taxes collected by the county. The County has not adopted the Teeter Plan, and consequently the Teeter Plan is not available to local taxing entities within the County, such as the District. The District’s receipt of property taxes is therefore subject to delinquencies.

Historical Data Concerning District Tax Base

The information provided in Tables 1 through 5 below has been provided by California Municipal Statistics, Inc. Neither the District nor the Underwriter has independently verified this information and do not guarantee its accuracy.

Table 1 shows the assessed valuation in the District for fiscal years 2005-06 through the 2009-10.

**Table 1
MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Assessed Valuations**

	<i>Local Secured</i>	<i>Utility</i>	<i>Unsecured</i>	<i>Total</i>
2005-06	\$ 8,803,421,073	\$ 1,156	\$ 277,466,853	\$ 9,080,899,082
2006-07	9,657,547,961	1,084	267,915,789	9,925,464,834
2007-08	10,588,433,491	0	272,917,262	10,861,350,753
2008-09	11,429,327,724	0	268,571,876	11,697,899,600
2009-10	11,603,476,970	0	268,200,141	11,871,677,111

Source: California Municipal Statistics, Inc.

Tax Levies and Delinquencies

Table 2 summarizes the 1% general *ad valorem* tax levy within the District and the amount delinquent as of June 30 for fiscal years 2004-05 through 2008-09.

Table 2⁽¹⁾
MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Secured Tax Charges and Delinquencies

	<i>Secured Tax Charges Levied⁽¹⁾</i>	<i>Delinquent Secured Taxes</i>	<i>% Delinquent June 30⁽²⁾</i>
2004-05	\$ 11,850,718.79	\$ 279,624.80	2.36%
2005-06	13,234,123.08	342,549.38	2.59
2006-07	14,445,372.51	546,992.78	3.79
2007-08	16,132,613.63	809,352.03	5.02
2008-09	17,362,713.54	816,178.05	4.70

⁽¹⁾ This table represents the 1% general *ad valorem* taxes levied in the District and does not include any delinquencies related to other tax or assessment levies.

⁽²⁾ County delinquency rate.

Source: California Municipal Statistics, Inc.

Table 2A summarizes the annual additional *ad valorem* tax levy within the District for its outstanding general obligation bonds and the amount delinquent as of June 30 for fiscal years 2004-05 through 2008-09.

Table 2A⁽¹⁾
MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Secured Tax Charges and Delinquencies

	<i>Secured Tax Charges Levied⁽¹⁾</i>	<i>Delinquent Secured Taxes</i>	<i>% Delinquent June 30⁽²⁾</i>
2004-05	\$ 3,124,788.98	\$ 40,338.20	1.29%
2005-06	3,314,336.93	46,405.30	1.40
2006-07	3,706,041.11	68,435.40	1.85
2007-08	3,928,094.15	108,969.05	2.77
2008-09	4,170,883.15	109,850.06	2.63

⁽¹⁾ This table represents the secured *ad valorem* taxes levied in the District solely to repay the Prior General Obligation Bonds and does not include any delinquencies related to other tax or assessment levies.

⁽²⁾ District only delinquency rate.

Source: California Municipal Statistics, Inc.

The County has not adopted the Teeter Plan. As a result, the District's receipt of property taxes is subject to delinquencies. See "TAX BASE FOR REPAYMENT OF THE SERIES A BONDS—*Ad Valorem* Property Taxation—*Teeter Plan*." The District is a participant in a program of the California Statewide Delinquent Tax Finance Authority (the "Authority") pursuant to which the District has agreed to sell to the Authority the District's delinquent *ad valorem* property tax receivables through June 30, 2010 at a price of 108.5% of the amount of the delinquencies. Under the program, the District receives from the Authority 108.5% of the amount of the tax delinquencies sold. No assurance can be given that the Authority will have sufficient funds to purchase any tax delinquencies in the future or that the program will be extended to delinquencies arising after June 30, 2010.

Tax Rates

There are a total of 18 tax rate areas in the District. Table 3 summarizes the total *ad valorem* tax rates levied by all taxing entities in a typical Tax Rate Area within the District for fiscal years 2005-06 through 2009-10 expressed as a percentage of the assessed value of the property upon which such taxes were levied.

Table 3
MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Summary of Ad Valorem Tax Rates
Typical Total Tax Rates (TRA 6174)

	2005-06	2006-07	2007-08	2008-09	2009-10
General	1.000000	1.000000	1.000000	1.000000	1.000000
Los Angeles County	0.000795	0.000663	--	--	--
Manhattan Beach Unified School District	0.038013	0.038562	0.037037	0.036735	0.040095
El Camino Community College District	0.018381	0.017326	0.016467	0.017026	0.014868
Los Angeles County Flood Control	0.000049	0.000052	--	--	--
Metropolitan Water District	<u>0.005200</u>	<u>0.004700</u>	<u>0.004500</u>	<u>0.004300</u>	<u>0.004300</u>
Total	<u>1.062438</u>	<u>1.061303</u>	<u>1.058004</u>	<u>1.058061</u>	<u>1.059263</u>

Source: California Municipal Statistics, Inc.

Largest Taxpayers

Table 4 below lists the 20 largest secured property taxpayers within the District measured by assessed valuation for fiscal year 2009-10.

Table 4
MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Twenty Largest 2009-10 Local Secured Property Taxpayers

<i>Property Owner</i>	<i>Primary Land Use</i>	<i>2009-10 Assessed Valuation</i>	<i>% of Total⁽¹⁾</i>
1. CRP MB Studios LLC	Industrial	\$ 156,060,000	1.34%
2. Reef America REIT II Corp.	Shopping Center	153,560,809	1.32
3. Wells REIT II Manhattan Towers LLC	Office Building	99,229,258	0.86
4. Northrop Grumman Space and Mission Systems	Industrial	65,241,216	0.56
5. Parstem Realty Co. Inc	Industrial	65,209,227	0.56
6. Sun Manhattan LLC	Hotel	33,446,638	0.29
7. St. Paul Properties Inc.	Shopping Center	29,834,714	0.26
8. Skechers USA Inc.	Office Building	28,873,655	0.25
9. Duncan Investments LLC	Office Building	23,214,822	0.20
10. Continental 1500 Rosecrans LLC	Office Building	22,988,038	0.20
11. Belamar Hotel LLC	Hotel	22,044,512	0.19
12. 1800 Rosecrans Partners LLC	Shopping Center	20,045,361	0.17
13. Hughes Aircraft Employees Federal Credit	Office Building	19,946,169	0.17
14. RJR Investments LLC	Residential	17,191,975	0.15
15. Manhattan Place Inc.	Shopping Center	17,111,011	0.15
16. Community Foundation Land	Office Building	15,950,092	0.14
17. William C. Powers	Residential	15,646,042	0.13
18. Jeffrey C. & Melinda M. Hawken	Residential	13,337,900	0.11
19. Lexham Manhattan Beach LLC	Professional Building	13,265,100	0.11
20. Pasi Hamalainen	Residential	<u>11,960,000</u>	<u>0.10</u>
Total		<u>\$ 844,156,539</u>	<u>7.28%</u>

⁽¹⁾ 2009-10 total secured assessed valuation in the District, including utility: \$11,603,476,970.

Source: California Municipal Statistics, Inc.

Table 5 describes the District's total secured assessed valuation measured by land use type in fiscal year 2009-10. Residential uses were 95.17% of the total secured assessed valuation and non-residential uses were 4.83% of the total.

**Table 5
MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
2009-10 Assessed Valuation and Parcels by Land Use⁽¹⁾**

	<i>2009-10 Assessed Valuation⁽²⁾</i>	<i>% of Total</i>	<i>No. of Parcels</i>	<i>% of Total</i>
Non-Residential:				
Commercial	\$ 848,070,086	7.31%	405	3.11%
Vacant Commercial	28,422,080	0.24	48	0.37
Industrial	286,618,511	2.47	10	0.08
Vacant Industrial	543,581	0.00	15	0.12
Recreational	14,548,691	0.13	7	0.05
Government/Social/Institutional	<u>106,004,150</u>	<u>0.91</u>	<u>144</u>	<u>1.10</u>
Subtotal Non-Residential	\$ 1,284,207,099	11.07%	629	4.83%
Residential:				
Single Family Residence	\$ 7,739,938,057	66.70%	9,256	71.03%
Condominium/Townhouse	1,325,988,270	11.43	1,574	12.08
2-4 Residential Units	1,085,453,892	9.35	1,397	10.72
5+ Residential Units/Apartments	118,247,126	1.02	83	0.64
Vacant Residential	<u>49,642,526</u>	<u>0.43</u>	<u>93</u>	<u>0.71</u>
Subtotal Residential	\$ 10,319,269,871	88.93%	12,403	95.17%
Total	<u>\$ 11,603,476,970</u>	<u>100.00%</u>	<u>13,032</u>	<u>100.00%</u>

⁽¹⁾ Some totals may not add up due to rounding.

⁽²⁾ Local secured assessed valuation, including utility and excluding tax-exempt property.

Source: California Municipal Statistics, Inc.

The District is made up of mostly residential parcels. Table 5A shows the assessed valuation of single family homes per parcel for fiscal year 2009-10.

**Table 5A
MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Per Parcel 2009-10 Assessed Valuation of Single Family Homes**

	<i>No. of Parcels</i>	<i>2009-10 Assessed Valuation</i>	<i>Average Assessed Valuation</i>	<i>Median Assessed Valuation</i>
Single Family Residential	9,256	\$7,739,938,057	\$836,208	\$635,331

<i>2009-10 Assessed Valuation</i>	<i>No. of Parcels⁽¹⁾</i>	<i>% of Total</i>	<i>Cumulative % of Total</i>	<i>Total Valuation</i>	<i>% of Total</i>	<i>Cumulative % of Total</i>
\$0 - \$99,999	1,107	11.960%	11.960%	\$ 88,829,470	1.148%	1.148%
\$100,000 - \$199,999	1,142	12.338	24.298	156,647,061	2.024	3.172
\$200,000 - \$299,999	561	6.061	30.359	141,499,387	1.828	5.000
\$300,000 - \$399,999	503	5.434	35.793	176,965,711	2.286	7.286
\$400,000 - \$499,999	539	5.823	41.616	241,948,250	3.126	10.412
\$500,000 - \$599,999	587	6.342	47.958	321,991,544	4.160	14.572
\$600,000 - \$699,999	504	5.445	53.403	327,226,170	4.228	18.800
\$700,000 - \$799,999	536	5.791	59.194	401,583,375	5.188	23.988
\$800,000 - \$899,999	493	5.326	64.520	419,025,129	5.414	29.402
\$900,000 - \$999,999	491	5.305	69.825	466,388,122	6.026	35.428
\$1,000,000 - \$1,099,999	382	4.127	73.952	399,832,964	5.166	40.594
\$1,100,000 - \$1,199,999	320	3.457	77.409	367,655,152	4.750	45.344
\$1,200,000 - \$1,299,999	244	2.636	80.045	304,461,919	3.934	49.278
\$1,300,000 - \$1,399,999	194	2.096	82.141	261,178,879	3.374	52.652
\$1,400,000 - \$1,499,999	202	2.182	84.324	291,795,522	3.770	56.422
\$1,500,000 - \$1,599,999	206	2.226	86.549	318,986,994	4.121	60.543
\$1,600,000 - \$1,699,999	169	1.826	88.375	278,614,099	3.600	64.143
\$1,700,000 - \$1,799,999	141	1.523	89.898	246,373,780	3.183	67.326
\$1,800,000 - \$1,899,999	152	1.642	91.541	280,762,383	3.627	70.954
\$1,900,000 - \$1,999,999	97	1.048	92.589	188,994,482	2.442	73.595
\$2,000,000 and greater	<u>686</u>	<u>7.411</u>	100.000	<u>2,059,177,664</u>	<u>26.605</u>	100.000
Total	9,256	100.000%		\$7,739,938,057	100.000%	

⁽¹⁾ Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.

THE DISTRICT

Introduction

The District, established in 1912, unified in 1993, and consists of an area comprising approximately 3.88 square miles in the southwestern portion of Los Angeles County. Its boundaries are coterminous with the City of Manhattan Beach. The total enrollment in the District during fiscal year 2009-10 is approximately 6,568 students, and is projected to remain stable at approximately 6,568 for fiscal year 2010-11. The District's pupil teacher ratio as of June 1, 2010 was as follows: 22 to 1 for grade levels K through 5, 26 to 1 for grade levels 6 through 8 and 29 to 1 for grade levels 9 through 12. English and math classes in grade 9 and English in grade 10 have a student teacher ratio of 20 to 1.

Board of Trustees

The District is governed by a five member Board of Trustees (the “Board”). Members are elected to serve alternating four-year terms.

Table 6
MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Board of Trustees

<i>Name</i>	<i>Term Expires</i>
Ida VanderPoorte, President	December 2013
Amy Howorth, Vice President	December 2011
Bill Fournell, Clerk	December 2011
Ellen Rosenberg, Member	December 2013
Penny Bordokas, Member	December 2013

Source: Manhattan Beach Unified School District.

Superintendent and Administrative Personnel

The Superintendent of Schools (the “Superintendent”) is the chief executive officer of the District and is appointed by the Board to manage the day-to-day operations of the District. Dr. Beverly Jean Rohrer serves as the Superintendent until June 30, 2010 when she will retire. Replacing her will be Dr. Michael Mathews. Dr. Mathews comes from Santa Monica Malibu Unified School District and has over 20 years experience in California Public Education. Brief biographical information for both superintendents and other senior management of the District is set forth below.

Beverly J. Rohrer, Ed.D., Superintendent of Schools. Dr. Rohrer has served as Superintendent of the District since August 21, 2006. Prior to being named Superintendent of the District, Dr. Rohrer served as Superintendent for the Redondo Beach City Schools and the Redondo Beach Unified School District. Dr. Rohrer is also currently an adjunct professor for Pepperdine University and has consulted as guest lecturer for the UCLA Principals’ Academy and on the staff of the LA County Superintendent of Schools coaching new superintendents.

Dr. Rohrer has served as a member of the California State Board of Directors, Fiscal Crisis and Management Team (“FCMAT”), the State Legislature and Department of Education Fine Arts Task Force and on the State Committee, California Technology Assistance Program (“CTAP”). In addition, she served as a member of the Board of Directors and former President of the Alliance of School for Cooperative Insurance Purchases (“ASCIP”), a member of the Board of Directors and former President of Los Angeles Regionalized Insurance Services Authority (“LARISA”), and a Founding Member of the Board of Directors and former President of the LACOE Non-Profit Corporation for the cooperative purchase of Certificates of Participation for Los Angeles County School Districts.

Dr. Rohrer has a Doctor of Education from the University of Southern California and a Masters and Bachelor of Science also from the University of Southern California. Her dissertation, *Cash-Marketable Securities Management in California Public Schools*, became a basis for revised state law on investing school funds.

Michael Mathews, Ed.D., Superintendent of Schools (beginning July 1, 2010). Dr. Mathews was a high school principal and Assistant Superintendent, Human Resources for the Santa Monica Malibu Unified School District before coming to Manhattan Beach. Dr. Mathews holds Bachelor of Arts and Masters degrees from Stanford University and a Doctorate in Education from University of California, Berkeley.

Steven Romines, Ph.D., Assistant Superintendent of Administrative Services and Chief Business Official. Dr. Romines was hired by the District in May 2007. He has over 16 years of senior executive experience, serving various California school districts as chief business official. His current responsibilities include all Business Services division departments including: budget, accounting, payroll, accounts payable, legal, contracts, food services, operations and maintenance, construction and debt financing.

Dr. Romines has worked on the financings of four large bond authorizations and numerous Certificates of Participations, Tax and Revenue Anticipation Notes and other forms of debt financing. He supervises over 80 people and manages an operating budget of over \$60 million dollars and a capital budget of over \$100 million dollars. Dr. Romines' extensive experience has provided him with a comprehensive knowledge of the principles and practices of modern public school business management including all areas of debt financing.

Ellyn Schneider, Executive Director of Student Services. Ms. Schneider began her tenure at the District in 2005. Ms. Schneider previously worked in Massachusetts where she held several educational administrator positions, including Principal and Executive Director of Special Services. She started in education as a special education teacher for fifteen years and began her administrative career in 1990. Ms. Schneider has a knowledge of school law, in particular special education law. She is currently Adjunct Faculty at Loyola Marymount University in Westchester California and on the Board of Directors of Turning Pointe Foundation for Autism in Illinois.

Ms. Schneider has an undergraduate degree in psychology from National-Lewis University. She has a Master's Degree in both Special Education and Education Administration.

Carolyn Seaton, Executive Director of Educational Services. Mrs. Seaton was hired as the District's Executive Director of Educational Services in 2005. She is responsible for K-12 curriculum and instruction, including local and state testing, staff development, Beginning Teacher Support and Assessment ("BTSA"), textbook adoptions, grants, federal title and state categorical programs, and gifted and talented education. Mrs. Seaton has 26 years of experience as an educator. Prior to her current position, she was Principal of Manhattan Beach Middle School where she had also served as an Assistant Principal and teacher. She has been employed by the District for 13 years.

Mrs. Seaton earned her Bachelor's Degree in History, Magna Cum Laude, from Southern Methodist University in 1984. She completed her Master's Degree at the University of North Texas in 1987. Mrs. Seaton completed the Association of California School Administrators' Curriculum and Instruction Institute in 2002.

Average Daily Attendance and Base Revenue Limit

Between fiscal years 2004-05 and 2009-10, the District's average daily attendance ("ADA") for the second period increased by approximately 0.2%. In its most recently revised 2009-10 budget, the District assumed an ADA of 6,352 for purposes of calculating its revenue limit, and has assumed an undeficitated base revenue limit funding of \$6,672.43 per unit of ADA. Due to significant deficits in the State budget, in its budget for fiscal year 2010-11, the District has assumed an ADA of 6,352 and an undeficitated base revenue limit of \$6,410 which reflects a (.38%) negative cost of living adjustment. See "DISTRICT FINANCIAL MATTERS—2009-10 Adopted Budget." For each unit of average daily attendance, the District receives from the State an amount equal to the base revenue limit. The ADA for the second period and Base Revenue Limit for fiscal years 2004-05 through 2008-09 are set forth below.

Table 7
MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Average Daily Attendance

<i>Fiscal Year</i>	<i>Total Average Daily Attendance</i>	<i>Base Revenue Limit per Student per Year</i>
2004-05	6,291	\$5,222.43
2005-06	6,233	5,490.25
2006-07	6,175	5,828.30
2007-08	6,208	6,075.66
2008-09	6,304	6,411.43 ⁽¹⁾

⁽¹⁾ Deficited Base Revenue Limit for fiscal year 2008-09 was \$5,908.00
Source: Manhattan Beach Unified School District.

Employee Relations

In the fall of 1974, the State Legislature enacted a public school employee collective bargaining law known as the Rodda Act, which became effective in stages in 1976. The law provides that employees are to be divided into appropriate bargaining units which are to be represented by an exclusive bargaining agent.

The teachers of the District (certificated personnel) are represented by the California Teachers Association-Manhattan Beach Teacher’s Association (the “Teacher’s Association”). The Teacher’s Association contract with the District expired on June 30, 2009. The District and the Teacher’s Association are currently in negotiations for a new contract. While a new contract is negotiated, the employees will continue to work under the terms of the existing contract. As a result of reductions in State funding, the District has eliminated 18 certificated positions, reducing its total certificated employees as of July 1, 2009 to approximately 337. As of January 31, 2010, the District employed 332 certificated employees on a full-time equivalent basis through its General Fund. The forecast for fiscal year 2010-11 reflects further reductions in State funding which will result in reductions of 8 certificated full time equivalent employees which would decrease the total number of certificated employees to approximately 324 as of July 1, 2010. The parties continue to negotiate and have agreed that there will be no salary increase for fiscal year 2010-11.

Table 8
MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Certificated Employees

<i>Fiscal Year</i>	<i>Total Number of Employees⁽¹⁾</i>
2005-06	361
2006-07	350
2007-08	342
2008-09	337
2009-10	332

⁽¹⁾ On a full-time equivalent basis through the General Fund.
Source: Manhattan Beach Unified School District.

The California School Employees Association (CSEA) has been selected as the exclusive bargaining agent for non-teaching (classified) personnel. The contract with CSEA expired on December 31, 2008. The District and CSEA have agreed that there will be no salary increase for classified personnel in fiscal years 2008-09, 2009-10 and 2010-11. The parties continue to negotiate the remaining terms of a new contract. While a new contract is negotiated, the employees will continue to work under the terms of the existing contract. As of January 31, 2010, the District employed 207 classified employees on a full-time equivalent

basis through its General Fund. The District does not anticipate any layoffs of classified employees for fiscal year 2010-11.

Table 9
MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Classified Employees

<i>Fiscal Year</i>	<i>Total Number of Employees⁽¹⁾</i>
2005-06	199
2006-07	196
2007-08	202
2008-09	204
2009-10	207

Source: Manhattan Beach Unified School District.

⁽¹⁾ On a full-time equivalent basis through the General Fund.

Retirement System

The District participates in the State of California Teachers' Retirement System ("STRS") which provides benefits to full-time certificated personnel. The District also participates in the State of California Public Employees Retirement System ("PERS") which provides benefits to full-time classified personnel and part-time employees who are employed more than 1,000 hours during the year. Table 10 below sets forth the District contributions to STRS and PERS for fiscal year 2009-10.

Table 10
MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Retirement Contributions from the General Fund for Fiscal Year 2009-10

	<i>Number of Employees Covered</i>	<i>Total Employer Contributions</i>	<i>Employer Contribution as a Percentage of Covered Payroll</i>
STRS	372	\$ 2,036,800	8.25%
PERS	275	701,1062	9.428

Source: Manhattan Beach Unified School District.

For fiscal year 2010-11, the District projects a STRS contribution of approximately \$2,057,168 and a PERS contribution of approximately \$657,936 and for fiscal year 2010-11.

Both STRS and PERS have experienced losses in their investments due to the economic downturn but appear to be recovering slowly as the economy recovers. However there still remains a possibility that employer contribution rates could increase by a small amount should the economy not continue to show signs of improvement.

Post-Employment Benefits

The District is no longer offering post-employment health care benefits to its employees. There are certain past employees of the District who are entitled to receive various post-employment health care benefits, as described below, which are annually budgeted and paid on a "pay as you go basis" from its General Fund. The District has not conducted an actuarial study for these benefits because both the number of employees and the dollar amount of the contributions are capped. The District's business office continues to correctly

estimate the future cost of benefits and expects its annual contributions from the General Fund to be less than \$200,000 for these benefits.

The District provides capped post-employment health care benefits for a period of five years, in accordance with the District's employment contracts, to certain certificated employees who retired from the District on or after attaining age 55 (and their eligible dependents) with at least 15 years of service. As of June 30, 2009, 39 active employees met those eligibility requirements. The District contributes a maximum of \$400 per year of the amount of premiums incurred by the retirees and their dependents and the retirees contribute the remainder.

A second group of certificated employees who were employed by the District before July 1, 1993 (and their eligible dependents) receive a special extension of medical, vision and dental insurance coverage not to exceed \$6,000 per year for the lifetime of the employee and eligible dependents. There are only three members left in the bargaining unit who are eligible for this benefit.

For retirees in the two categories described above, expenditures for post-employment benefits are recognized on a pay-as-you-go basis from the District's General Fund. During fiscal year 2008-09, the District recorded \$128,376 in expenditures for these post-employment benefits and estimates that the fiscal year 2009-10 amount will be \$119,976 and has budgeted \$120,000 for fiscal year 2010-11.

Beginning with its fiscal year ending June 30, 2009, the District is required to comply with the Governmental Accounting Standards Board ("GASB") Statement 45 relating to other post-employment benefits ("OPEB"), which requires the District to recognize the expenses and related liabilities and assets for any OPEB provided by the District in its government-wide financial statements of net assets and activities. The District's net OPEB obligation calculated in accordance with the parameters of GASB Statement 45 was \$863,507 as of June 30, 2009 and is expected to decrease June 2010 by about \$8,400 due to two participants in the retirement incentive plan reaching the age of 65. They will enroll in Medicare, and thus will no longer be eligible to participate in the program.

A third category of post-employment benefits was inherited from the old South Bay Union High School District when the District was unified in 1993. Employees from this district came with lifetime post-employment benefits, paid by their own Retiree Benefit Fund, separate from the District's General Fund. As of June 30, 2009, the Retiree Benefit Fund contained \$450,817. Based on an actuarial study, the estimated liability for the post-employment benefits for these retirees was \$605,390. On June 30, 2009, 23 retirees were eligible and a total of \$84,341 in benefits was paid under this program. A similar amount is expected to be paid out by June 30, 2010 as the number of retirees and claims have remained constant.

Insurance

The District is exposed to various risks of loss related to torts, thefts, damage to District assets, errors and omissions, employee injuries and natural disasters. The District maintains a comprehensive insurance program for property, liability, workers' compensation, health and welfare insurance coverage through the Alliance of Schools for Cooperative Insurance programs ("ASCIP"). Settled claims have not exceeded the commercial coverage in any of the past three years.

The District also participates in the School Excess Liability Fund ("SELF"), an insurance purchasing pool for excess coverage on liability and workers' compensation. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in SELF. Each participant pays its workers' compensation premium based on its individual rate. Total savings are calculated and each participant's individual performance is compared to the overall savings. A participant will then either receive money from or be required to contribute to the "equity-pooling fund."

DISTRICT FINANCIAL MATTERS

Accounting Practices

The accounting policies of the District conform to generally accepted accounting principles and are in accordance with the policies and procedures of the California School Accounting Manual. This manual, according to Section 41010 of the California Education Code, is to be followed by all State school districts.

District Budget Process

The District is required by provisions of the California Education Code to maintain each year a balanced budget in which the sum of expenditures plus the ending fund balance cannot exceed the revenues plus the carry over fund balance from the previous year. The California State Department of Education imposes a uniform budgeting format for each school district in the State.

School districts must adopt a budget no later than June 30 of each year. The budget must be submitted to the County Superintendent of Schools (the "County Superintendent") within five days of adoption or by July 1, whichever occurs first. A district may be on either a dual or single budget cycle. The dual budget option requires a revised and readopted budget by September 1 that is subject to State mandated standards and criteria. The revised budget must reflect changes in projected income and expenses subsequent to July 1. The single budget is only readopted if it is disapproved by the County Superintendent, or as needed.

For both dual and single budgets submitted on July 1, the County Superintendent will (a) examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Trustees and identify technical corrections necessary to bring the budget into compliance, (b) determine if the budget allows the district to meet its current obligations, and (c) determine if the budget is consistent with a financial plan that will enable the district to meet its multi-year financial commitments. On or before August 15, the County Superintendent will approve or disapprove the adopted budget for each school district.

Budgets will be disapproved if they fail the above standards. The district board must be notified by August 15 of the County Superintendent's recommendations for revision and reasons for the recommendations. The County Superintendent may assign a fiscal advisor or appoint a committee to examine and comment on the recommendations. The committee must report its findings no later than August 20. Any recommendations made by the County Superintendent must be made available by the district for public inspection. The law does not provide for conditional approvals; budgets must be either approved or disapproved. No later than August 20, the County Superintendent must notify the State Superintendent of Public Instruction (the "State Superintendent") of all school districts whose budget has been disapproved.

Any district whose budget has been disapproved must revise and readopt its budget by August 20, reflecting changes in projected income and expenses since July 1, including responding to the County Superintendent's recommendations. The County Superintendent must determine if the budget conforms with the standards and criteria applicable to final district budgets, and, not later than October 8, must approve or disapprove the revised budgets. If the budget is disapproved, the County Superintendent will call for the formation of a budget review committee pursuant to Education Code Section 42127.1. Until a district's budget is approved, the district will operate on the lesser of its proposed budget for the current fiscal year or the last budget adopted and reviewed for the prior fiscal year.

After approving the districts' budgets, the County Superintendent will monitor, throughout the fiscal year, each school district under his or her jurisdiction pursuant to its adopted budget to determine on a continuing basis if the district can meet its current or subsequent year financial obligations. If a County Superintendent determines that a district cannot meet its current or subsequent year obligations, the County Superintendent may 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 must so notify the State Superintendent, 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) develop and impose, also after consulting with the district's board, 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 any collective bargaining agreement that was entered into prior to the date upon which the County Superintendent assumed authority.

At minimum, school districts file with their County Superintendent and the State Department of Education a First Interim Financial Report by December 15 covering financial operations from July 1 through October 31 and a Second Interim Financial Report by March 15 covering financial operations from November 1 through January 31. Section 42131 of the Education Code requires that each interim report be certified by the school board as either (a) "positive," certifying that the district, "based upon current projections, will meet its financial obligations for the current fiscal year and subsequent two fiscal years," (b) "qualified," certifying that the district, "based upon current projections, may not meet its financial obligations for the current fiscal year or two subsequent fiscal years," or (c) "negative," certifying that the district, "based upon current projections, will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year." A certification by a school board may be revised by the County Superintendent. If either the First or Second Interim Report is not "positive," the County Superintendent may require the district to provide a Third Interim Financial Report covering financial operations from February 1 through April 30 by June 1. If not required, a Third Interim Financial Report is not prepared. Each interim report shows fiscal year to date financial operations and the current budget, with any budget amendments made in light of operations and conditions to that point. After the close of the fiscal year on June 30, an unaudited financial report for the fiscal year is prepared and filed without certification with the County Superintendent and the State Department of Education.

The District became a unified district in 1993 and since that time has never received a negative or qualified certification for any of its First or Second Interim Reports. The District has always submitted a balanced budget each June and has never missed a budget timeline.

Pursuant to State law, the District adopted on June 16, 2009, a fiscal line-item budget setting forth revenues and expenditures reflecting that budgeted appropriations during fiscal year 2009-10 would not exceed the sum of revenues plus the expected July 1, 2009 beginning fund balance. The District is scheduled to adopt the fiscal year 2010-11 budget on June 16, 2010. The budget that is proposed to be adopted is included as Table 15 below.

Comparative Financial Statements and 2009-10 Adopted Budget

Table 11 below summarizes the District's Summary of General Fund Revenues, Expenditures and Changes in Fund Balance for fiscal years 2004-05 through 2008-09. The figures in Table 11 are taken from the District's audited financial statements. See APPENDIX B—"DISTRICT'S AUDITED FINANCIAL STATEMENTS" for further detail on the District's financial condition as of June 30, 2009. The District's audited financial statements for fiscal year 2009-10 are scheduled to be available September 2010.

Table 11
MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Summary of General Fund Revenues, Expenditures and Changes in Fund Balance

	<i>Audited</i> 2004-05	<i>Audited</i> 2005-06	<i>Audited</i> 2006-07	<i>Audited</i> 2007-08	<i>Audited</i> 2008-09
Revenues:					
Revenue Limit Sources	\$ 33,010,153	\$ 34,376,776	\$ 36,136,791	\$ 37,738,309	\$ 38,314,155
Federal Revenues	1,373,987	1,566,637	1,358,853	1,377,359	3,440,774
Other State Revenues	7,434,029	7,472,858	9,898,397	8,408,582	8,226,566
Other Local Revenue	<u>5,286,322</u>	<u>5,631,689</u>	<u>6,722,754</u>	<u>6,124,304</u>	<u>7,284,987</u>
Total Revenues	<u>47,104,491</u>	<u>49,047,960</u>	<u>54,116,795</u>	<u>53,648,554</u>	<u>57,266,482</u>
Expenditures:					
Certificated Salaries	23,156,702	23,530,735	24,450,035	24,658,246	23,882,910
Classified Salaries	6,730,493	6,919,589	7,223,612	7,715,844	7,492,461
Employee Benefits	7,222,325	7,078,600	7,289,374	7,474,007	7,741,992
Books and Supplies	2,084,607	2,411,478	2,726,212	3,306,973	2,873,072
Services and Other Operating Expenditures	6,950,564	7,999,793	6,892,127	7,191,509	5,851,652
Capital Outlay	--	195,346	--	--	230,348
Other Outgo	<u>912,235</u>	<u>476,896</u>	<u>1,084,855</u>	<u>2,092,243</u>	<u>3,343,351</u>
Total Expenditures	<u>47,056,926</u>	<u>48,612,437</u>	<u>49,666,215</u>	<u>52,438,822</u>	<u>51,415,786</u>
Excess of (Deficiency) of Revenues Over Expenditures	47,565	435,523	4,450,580	1,209,732	5,850,696
Other Financing Sources (uses)	1,049,300	(222,930)	--	(260,000)	(2,235,685)
Net Increase (Decrease) in Fund Balance	<u>1,096,865</u>	<u>212,593</u>	<u>4,450,580</u>	<u>949,732</u>	<u>3,615,011</u>
Fund Balance (Deficit), July 1	\$ 799,370	\$ 1,782,038	\$ 2,031,507	\$ 6,482,087	\$ 7,431,819
Fund Balance (Deficit), June 30	<u>\$ 1,896,235</u>	<u>\$ 1,994,631</u>	<u>\$ 6,482,087</u>	<u>\$ 7,431,819</u>	<u>\$ 11,046,830</u>

Source: Manhattan Beach Unified School District Audited Financial Statements for fiscal years 2004-05 through 2008-09.

Table 12 below compares the District's 2007-08 Adopted Budget to its actual revenues and expenditures for fiscal year 2007-08 and its 2008-09 Adopted Budget to its actual revenues and expenditures for fiscal year 2008-09.

Table 12
MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Comparison of 2007-08 Budgeted to Actual Revenues and
Expenditures and 2008-09 Budgeted to Actual Revenues and Expenditures

	<i>2007-08</i>		<i>2008-09</i>	
	<i>Budget</i>	<i>Audit</i>	<i>Budget</i>	<i>Audit</i>
Revenues				
Revenue Limits Sources	\$ 37,046,898	\$ 37,738,309	\$ 37,726,769	\$ 38,314,155
Federal	1,319,299	1,377,359	1,317,002	3,440,774
Other State	8,876,978	8,408,582	7,836,847	8,226,566
Other Local	<u>4,021,990</u>	<u>6,124,304</u>	<u>4,806,169</u>	<u>7,284,987</u>
Total Revenues	\$ 51,264,985	\$ 53,648,554	\$ 51,686,787	\$ 57,266,482
Expenditures				
Certificated Salaries	\$ 23,686,503	\$ 24,658,246	\$ 24,905,811	\$ 23,882,910
Classified Salaries	7,343,734	7,715,844	7,152,874	7,492,461
Employee Benefits	7,767,085	7,474,007	8,191,023	7,741,992
Books and Supplies	2,259,202	3,306,973	2,097,324	2,873,072
Services and Other Operating Expenditures	7,904,791	7,191,509	8,273,634	5,851,652
Capital Outlay	--	--	--	230,348
Other Outgo	<u>1,244,994</u>	<u>2,092,243</u>	<u>1,787,754</u>	<u>3,343,351</u>
Total Expenditures	\$ 50,206,309	\$ 52,438,822	\$ 52,408,420	\$ 51,415,786
Excess (Deficiency) of Revenues over (Under) Expenditures	\$ 1,058,676	\$ 1,209,732	\$ (721,633)	\$ 5,850,696
Total Other Financing Sources (Uses)	\$ (260,000)	\$ (260,000)	\$ (270,000)	\$ (2,235,685)
Net Increase (Decrease) in Fund Balance	\$ 798,676	\$ 949,732	\$ (991,633)	\$ 3,615,011
Fund Balance (Deficit), July 1	<u>\$ 2,223,541</u>	<u>\$ 6,482,087</u>	<u>\$ 7,431,818</u>	<u>\$ 7,431,819</u>
Fund Balance (Deficit), June 30	<u>\$ 3,022,217</u>	<u>\$ 7,431,819</u>	<u>\$ 6,440,185</u>	<u>\$ 11,046,830</u>

Source: Manhattan Beach Unified School District Adopted Budget for fiscal years 2007-08 and 2008-09 and the Audited Financial Statements for fiscal years 2007-08 and 2008-09.

Table 13 contains the District's Original Adopted Budget for fiscal year 2009-10 and its Board approved operating budget and the projections for fiscal year 2009-10 contained in the District's Second Interim Report, which reflect budget projections as of March 31, 2010 (the "Second Interim Report"). In the Second Interim Report, the District projected that revenues would increase by approximately \$1,528,239 from the Board approved operating budget, and expenses would increase by approximately \$470,774, resulting in an increase of approximately \$1,057,465 in the projected fund balance at June 30, 2010. Given recent reductions in State funding and other factors described below, the District now projects that its June 30, 2010 ending fund balance, exclusive of certain Federal stimulus funds that will be applied to fiscal year 2009-10, will be approximately \$9,111,074.

Table 13
MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Adopted Budget for Fiscal Year 2009-10, Second Interim Report for
Fiscal Year 2009-10 and Comparison of the Board Approved Operating Budget and the Second Interim
Report

	<i>2009-10 Original Adopted Budget</i>	<i>2009-10 Board Approved Operating Budget</i>	<i>2009-10 Second Interim Projected Year Totals</i>	<i>Difference Between Board Approved Operating Budget and 2009-10 Second Interim Projected Year Totals</i>
REVENUES				
Revenue Limit Sources	\$ 35,170,426	\$ 33,217,047	\$ 33,217,047	\$ 0
Federal Revenues	2,915,083	2,858,202	2,916,026	57,824
Other State Revenues	6,575,393	6,575,393	7,261,107	685,714
Other Local Revenues	<u>6,459,210</u>	<u>8,006,636</u>	<u>8,791,337</u>	<u>784,701</u>
Total Revenues	\$ 51,120,112	\$ 50,657,278	\$ 52,185,517	\$ 1,528,239
EXPENDITURES				
Certificated Salaries	\$ 22,562,764	\$ 24,863,628	\$ 25,022,481	\$ 158,853
Classified Salaries	6,499,847	7,081,739	7,143,413	61,674
Employee Benefits	7,690,716	8,248,674	8,257,105	8,431
Books and Supplies	1,762,566	3,251,841	3,368,671	116,830
Other Operating Expenditures	7,824,824	8,066,170	8,114,738	48,568
Capital Outlay	--	--	--	--
Other Outgo	<u>2,385,573</u>	<u>2,385,573</u>	<u>2,461,991</u>	<u>76,418</u>
Total Expenditures	\$ 48,726,290	\$ 53,897,625	\$ 54,368,399	\$ 470,774
Excess (Deficiency) of Revenues over Expenditures	\$ 2,393,822	\$ (3,240,347)	\$ (2,182,882)	\$ 1,057,465
OTHER FINANCING SOURCES				
Total Other Financing Sources (uses)	\$ --	\$ --	\$ --	\$ --
Net Increase (Decrease)	\$ 2,393,822	\$ (3,240,347)	\$ (2,182,882)	\$ 1,057,465
Fund Balance (Deficit), July 1	<u>\$ 3,961,029</u>	<u>\$ 11,293,956⁽¹⁾</u>	<u>\$ 11,293,956⁽¹⁾</u>	<u>\$ 0</u>
Fund Balance (Deficit), June 30	<u>\$ 6,354,851</u>	<u>\$ 8,053,609</u>	<u>\$ 9,111,074</u>	<u>\$ 1,057,465</u>

⁽¹⁾ Includes adjustments made after completion of the fiscal year 2008-09 audit to reflect revenues received in fiscal year 2009-10 attributable to the prior fiscal year and to reflect decreased liabilities in other financing sources (uses).

Source: Manhattan Beach Unified School District Adopted Budget for fiscal year 2009-10 and Manhattan Beach Unified School District Second Interim Report.

Table 14 below sets forth the District's General Fund balance sheet for fiscal years 2004-05 through 2008-09.

Table 14
MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Summary of Combined General Fund Balance Sheet

	<i>Audited</i> 2004-05	<i>Audited</i> 2005-06	<i>Audited</i> 2006-07	<i>Audited</i> 2007-08	<i>Audited</i> 2008-09
Assets					
Deposits and Investments	\$ 3,193,505	\$ 2,083,037	\$ 6,155,079	\$ 9,671,259	\$ 8,772,812
Accounts Receivable	3,969,661	5,153,764	5,967,988	4,618,442	7,970,935
Due from Other Funds	--	--	--	249,837	--
Inventory	90,150	65,900	44,150	29,487	16,204
Other	145,174	129,090	141,641	145,647	189,647
Total Assets	<u>\$ 7,398,490</u>	<u>\$ 7,431,791</u>	<u>\$ 12,308,858</u>	<u>\$ 14,714,672</u>	<u>\$ 16,949,598</u>
Liabilities and Fund Equity					
Liabilities					
Accounts Payable	\$ 4,903,088	\$ 4,889,676	\$ 5,298,854	\$ 6,533,667	\$ 5,125,483
Due to Other Funds	--	--	--	--	--
Deferred Revenue	599,167	547,484	527,917	749,186	777,285
Total Liabilities	<u>5,502,255</u>	<u>5,437,160</u>	<u>5,826,771</u>	<u>7,282,853</u>	<u>5,902,768</u>
Fund Balances					
Reserved	245,324	204,990	195,791	1,787,741	2,256,236
Unreserved	1,650,911	1,789,641	4,154,895	5,644,078	8,790,594
Total Fund Equity	<u>\$ 1,896,235</u>	<u>\$ 1,994,631</u>	<u>\$ 4,350,686</u>	<u>\$ 7,431,819</u>	<u>\$ 11,046,830</u>
Total Liabilities and Fund Balances	<u>\$ 7,398,490</u>	<u>\$ 7,431,791</u>	<u>\$ 12,308,858</u>	<u>\$ 14,714,672</u>	<u>\$ 16,949,598</u>

Source: Manhattan Beach Unified School District Audited Financial Statements for fiscal years 2004-05 through 2008-09.

Recent Budget Developments

The District's revenues are derived in large part from funding provided by the State. For the last several fiscal years the State has been experiencing significant budget shortfalls that have led to reduced funding for school districts in California and to deferrals in the timing of payments from the State to school districts. The State is projecting continued budget shortfalls for the next several fiscal years. See "STATE OF CALIFORNIA FISCAL ISSUES" herein.

During the last two fiscal years, the District has been proactive in responding to the reductions in State funding which has enabled it to continue to maintain substantial budget reserves. In anticipation of reduced State funding, the District increased its reserves in fiscal years 2007-08 and 2008-09 expecting to spend some of the balances to offset reduced State funding. Based on projections in its Second Interim Report for fiscal year 2009-10, the District will have a \$9.1 million General Fund ending fund balance at June 30, 2010. In addition, the District maintains a separate Special Reserve Fund for Other than Capital Outlay which currently has a balance of approximately \$5.9 million.

The District expects that it will receive approximately \$5.6 million less in State revenues in fiscal year 2009-10 than it received in fiscal year 2008-09. To compensate for this reduction, the District developed a plan that included expense transfers to other funds, revenue enhancements, and cuts to instructional programs totaling over \$3.2 million. These budget measures were a mixture of one-time and ongoing adjustments. The balance of the fiscal year 2009-10 State revenue reductions will be offset primarily through the planned use of approximately \$2.2 million in existing General Fund balances.

Based on the Governor's proposed budget for fiscal year 2010-11, the District is projecting that it will receive approximately \$1 million less in State funding in 2010-11 than it will receive in fiscal year 2009-10. To compensate for this reduction, the District has approved a \$1.5 million reduction in personnel costs through the elimination of 11 certificated positions. Even with these additional reductions in State funding, the District projects that it will end fiscal year 2010-11 with a General Fund balance of more than \$7,000,000, or 13% of expected expenditures which is well above the State required reserve of 3%.

The District continues to receive over \$4.1 million each year from the Manhattan Beach Education Foundation (the "Education Foundation"). The augmentation of funds from the Education Foundation will allow the District to maintain reasonable class sizes, all legally required reserves and may also allow the District to restore certain of the teacher and counselor positions that were cut from the budget.

The District's budget as revised in the District's Second Interim Report for fiscal year 2009-2010 summarized in Table 13 reflects the reduced State revenues expected in fiscal year 2009-10. The State has deferred the payment of certain fiscal year 2009-10 revenues to fiscal year 2010-11. The budget for fiscal year 2009-10 as revised in the District's Second Interim Report and the proposed 2010-11 budget shown below are based on an accrual method of accounting and, accordingly, do not reflect any deferral of revenues to future fiscal years. See "STATE OF CALIFORNIA FISCAL ISSUES" herein.

Table 15
MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Fiscal Year 2010-2011 Proposed General Fund Budget Totals

	<i>2010-11 Proposed Budget</i>
REVENUES	
Revenue Limit Sources	\$
Federal Revenues	
Other State Revenues	
Other Local Revenues	
Total Revenues	\$
EXPENDITURES	
Certificated Salaries	\$
Classified Salaries	
Employee Benefits	
Books and Supplies	
Other Operating Expenditures	
Capital Outlay	
Other Outgo	
Total Expenditures	\$
Excess (Deficiency) of Revenues over Expenditures	\$
OTHER FINANCING SOURCES	
Total Other Sources (uses)	--
Net Increase (Decrease)	\$
Fund Balance (Deficit), July 1	\$ _____
Fund Balance (Deficit), June 30	\$ _____

Revenue Sources

The District categorizes its General Fund revenues into four sources: (1) revenue limit sources (consisting of a mix of State and local property tax revenues); (2) federal revenues; (3) other State revenues; and (4) other local revenues. Each of these revenue sources is described below.

Revenue Limit Sources

Since fiscal year 1973-74, State school districts have operated under general purpose revenue limits established by the State Legislature. In general, the base revenue limits are calculated for each school district by multiplying (1) the ADA for each such district by (2) a base revenue limit per unit of ADA. The base revenue limit calculations are adjusted annually in accordance with a number of factors designed primarily to provide cost of living increases and to equalize revenues among all State school districts of the same type. In fiscal year 2007-08, the District's base revenue limit per unit of ADA was \$6,076. For fiscal year 2008-09, the District's base revenue limit per unit of ADA was \$6,411.43. In its most recently revised 2009-10 budget, the District assumed a base revenue limit per unit ADA of \$6,672. For fiscal year 2010-11, the District projects a base revenue limit per unit of ADA of \$6,410.

In fiscal year 2007-08, the District received \$37,738,309 of revenue limit source income, representing approximately 70.34% of its General Fund revenues. In fiscal year 2008-09, the District received \$38,314,155 of revenue limit source income, representing approximately 66.91% of its General Fund revenues. For fiscal year 2009-10, the District has budgeted approximately \$33,217,047 of revenue limit source income, representing 63.65% of its projected General Fund revenues.

Funding of the District's revenue limit is accomplished by a mix of (1) local property taxes, and (2) State apportionments of basic aid. In fiscal year 2009-10, \$25,209,256 or 72% of the District's revenue limit sources was derived from local property taxes. Generally, the State's apportionments amount to the difference between the District's revenue limit and its local property tax revenues.

Beginning in fiscal year 1978-79, Proposition 13 and its implementing legislation permitted each county to levy and collect all property taxes (except for levies to support prior voter approved indebtedness) and prescribed how levies on county-wide property values were to be shared with local taxing entities within each county. Property taxes collected by the County to pay the principal of and interest on the Series A Bonds do not constitute local property taxes for purposes of being applied toward the District's revenue limit.

Federal Revenues

The federal government provides funding for several District programs, including special education programs, programs under the Educational Consolidation and Improvement Act, and specialized programs such as Drug Free Schools. The federal revenues, all of which are restricted, comprised approximately 2.57% of General Fund revenues in fiscal year 2007-08, 6.01% of General Fund revenues in fiscal year 2008-09 and are budgeted to equal approximately 5.59% in fiscal year 2009-10.

Other State Revenues

As discussed above, the District receives State apportionment of basic and equalization aid in an amount equal to the difference between the District's revenue limit and its property tax sources. In addition to such apportionment revenue, the District receives substantial other State revenues ("Other State Revenues"). In fiscal year 2007-08, Other State Revenues comprised for approximately 15.67% of total General Fund revenues, approximately 14.37% of total General Fund revenues in fiscal year 2008-09. In fiscal year 2009-10, Other State Revenues are budgeted to be approximately 13.91% of total General Fund revenues. Many of the Other State Revenues are restricted to specific types of program uses such as special education, transportation, class size reduction and instructional materials.

Other Local Sources

In addition to property taxes, the District receives additional local sources (“Other Local Sources”) from items such as the leasing of property owned by the District and interest earnings. These Other Local Sources comprised approximately 11.42% of the total General Fund revenues in fiscal year 2007-08, approximately 12.72% of total General Fund revenues in fiscal year 2008-09, and are budgeted to be approximately 16.85% of the total General Fund revenues in fiscal year 2009-10.

Capital Projects Funds

The District maintains a Capital Facilities Fund, separate and apart from the General Fund, to account for developer fees collected by the District. The District’s developer fees may be utilized for any capital purpose related to growth. The District also maintains a Building Fund, a Deferred Maintenance Fund and a Special Reserve for Capital Outlay Fund separate and apart from the General Fund related to the construction and maintenance of school facilities.

As of June 30, 2009, there was a balance of \$282,677 in the District’s Capital Facilities Fund, a balance of \$1,562,990 in the Building Fund and a balance of \$292,057 in the Deferred Maintenance Fund.

DISTRICT DEBT STRUCTURE

Long-Term Debt

A schedule of changes in the District’s long-term debt for the year ended June 30, 2009 is set forth in Table 16 below. For more information on the District’s long-term debt, see Note 8 in the District’s Audited Financial Statements attached as Appendix B hereto.

**Table 16
MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Long-Term Debt**

<i>General Long-Term Debt Account Group</i>	<i>Balance July 1, 2008</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance June 30, 2009</i>
General obligation bonds	\$ 83,352,794	\$ 3,464,594	\$ 3,530,000	\$ 83,287,388
Certificates of participation	12,705,000	-	735,000	11,970,000
Accumulated vacation - net	528,843	20,579	-	549,422
Early retirement incentive program	23,951	-	23,951	--
Postemployment benefits	-	991,883	128,376	863,507
Settlement agreement payable	333,333	-	166,667	166,666
Total	\$ 96,943,921	\$ 4,477,056	\$ 4,583,994	\$ 96,836,983

Source: Manhattan Beach Unified School District.

Capital Plan

On November 4, 2008, the voters of the District approved a \$67,480,000 general bond obligation in part to fund additional required capital improvements at the District’s high school. The Series B Bonds are being issued pursuant to the November 4, 2008 authorization.

The District expects a slight decline in the number of students over the next several years and does not anticipate any significant facilities needs beyond the planned improvements to the Mira Costa High School. Capital improvements will be made from amounts on deposit in the District's Building Fund, Capital Facilities Fund and Deferred Maintenance Fund, as needed.

Direct and Overlapping Debt

Contained within the District are numerous overlapping local agencies providing public services. These local agencies have outstanding debt issued in the form of general obligation, lease revenue and special tax and assessment bonds. The direct and overlapping debt of the District is shown in Table 17 below. Tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds, and non-bonded capital lease obligations are excluded from the debt statement. The information in Table 17 has been furnished by California Municipal Statistics, Inc. The District does not guarantee the accuracy of the information set forth in Table 17.



Table 17
MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Estimated Direct and Overlapping Bonded Debt
As of May 1, 2010

2009-10 Assessed Valuation: \$11,871,677,111

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 5/1/10</u>
Los Angeles County Flood Control District	1.271%	\$ 884,743
Metropolitan Water District	0.656	1,733,283
El Camino Community College District	15.788	27,667,514
Manhattan Beach Unified School District	100.	60,125,957 ⁽¹⁾
City of Manhattan Beach 1915 Act Bonds (Estimate)	100.	10,810,000
Los Angeles County Regional Park and Open Space Assessment District	1.277	<u>2,843,368</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$104,064,865
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Los Angeles County General Fund Obligations	1.277%	\$11,047,338
Los Angeles County Pension Obligations	1.277	3,009,772
Los Angeles County Superintendent of Schools Certificates of Participation	1.277	168,378
Manhattan Beach Unified School District Certificates of Participation	100.	7,720,000
City of Manhattan Beach General Fund Obligations	100.	33,255,000
City of Manhattan Beach Pension Obligations	100.	4,635,000
Los Angeles County Sanitation District No. 5 Authority	0.328	186,662
Los Angeles County Sanitation District No. 18 Authority	0.668	129,998
Los Angeles County Sanitation District South Bay Cities Authority	39.422	<u>3,822,415</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$63,974,563
COMBINED TOTAL DEBT		\$168,039,428 ⁽²⁾

Ratios to 2009-10 Assessed Valuation:

Direct Debt (\$60,125,957)	0.51%
Combined Direct Debt (\$67,845,957)	0.57%
Total Direct and Overlapping Tax and Assessment Debt.....	0.88%
Combined Total Debt.....	1.42%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/09: \$0

⁽¹⁾ Excludes accreted interest of capital appreciation bonds.

⁽²⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

STATE CONSTITUTIONAL LIMITATIONS ON DISTRICT SOURCES AND EXPENDITURES

Principal of and interest on the Series B Bonds are payable from the proceeds of an ad valorem tax required to be levied by the County in an amount sufficient for the payment thereof. See "SECURITY FOR THE BONDS" herein. Articles XIII A, XIII B, XIII C and XIII D of the Constitution, Propositions 39, 46, 49, 98, 111, 187, 227 and 1A, 1D and certain other provisions of law discussed below, are discussed in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the District to levy ad valorem taxes for payment of the Bonds. The tax levied by the County for payment of the Series B Bonds was approved by the District's voters in compliance with Article XIII A, Article XIII C, and all applicable laws.

Article XIII A

On June 6, 1978, California voters approved an amendment (commonly known as both Proposition 13 and the Jarvis-Gann Initiative) to the California Constitution. This amendment, which added Article XIII A to the California Constitution, 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 at a rate not to exceed 2% per year, or reduced in the event of declining property value caused by damage, destruction or other factors including a general economic downturn. The amendment further 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 debt service on indebtedness approved by the voters prior to July 1, 1978, and 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.

Legislation enacted by the California Legislature to implement Article XIII A provides that all taxable property is shown at full assessed value as described above. In conformity with this procedure, all taxable property value included in this Official Statement (except as noted) is shown at 100% of assessed value and all general tax rates reflect the \$1 per \$100 of taxable value. Tax rates for voter approved bonded indebtedness and pension liability are also applied to 100% of assessed value.

Future assessed valuation growth allowed under Article XIII A (new construction, change of ownership, 2% annual value growth) 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 County is unable to predict the nature or magnitude of future revenue sources that 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.

Article XIII B

On November 6, 1979, California voters approved Proposition 4, the so-called Gann Initiative, which added Article XIII B to the California Constitution. In June 1990, Article XIII B was amended by the voters through their approval of Proposition 111. Article XIII B of the California Constitution limits the annual appropriations of the State and any city, county, school district, authority or other political subdivision of the state to the level of appropriations for the prior fiscal year, as adjusted annually for changes in the cost of living, population and services rendered by the governmental entity. The "base year" for establishing such appropriation limit is the 1978-79 fiscal year. Increases in appropriations by a governmental entity are also permitted (a) if financial responsibility for providing services is transferred to the governmental entity, or

(b) for emergencies so long as the appropriations limits for the three years following the emergency are reduced to prevent any aggregate increase above the Constitutional limit. Decreases are required where responsibility for providing services is transferred from the government entity.

Appropriations subject to Article XIII B include generally any authorization to expend during the fiscal year the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance and disability insurance funds. Appropriations subject to limitation pursuant to Article XIII B do not include debt service on indebtedness existing or legally authorized as of January 1, 1979 on bonded indebtedness thereafter approved according to law by a vote of the electors of the issuing entity voting in an election for such purpose, appropriations required to comply with mandates of courts or the Federal government, appropriations for qualified outlay projects, and appropriations by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990 levels. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to any entity of government from (a) regulatory licenses, user charges, and user fees to the extent such proceeds exceed the cost of providing the service or regulation, (b) the investment of tax revenues and (c) certain State subventions received by local governments. Article XIII B includes a requirement that if an entity's revenues in any year exceed the amount permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two fiscal years.

As amended in June 1990, the appropriations limit for local governments in each year is based on the limit for the prior year, adjusted annually for changes in the 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. The change in the cost of living is, at the local government's option, either (i) the percentage change in California per capita personal income, or (ii) the percentage change in the local assessment roll for the jurisdiction due to the addition of nonresidential new construction. The measurement of change in population is a blended average of statewide overall population growth, and change in attendance at local school and community college ("K-14") districts.

As amended by Proposition 111, the appropriations limit is tested over consecutive two-year periods. Any excess of the aggregate "proceeds of taxes" received by the District over such two-year period above the combined appropriations limits for those two years is to be returned to taxpayers by reductions in tax rates or fee schedules over the subsequent two years. Any proceeds of taxes received by the District in excess of the appropriations limit are absorbed into the State's allowable limit. The District does not currently have and does not anticipate having "proceeds of taxes" in excess of its appropriations limit.

Article XIII B permits any government entity to change the appropriations limit by vote of the electorate in conformity with statutory and Constitutional voting requirements, but any such voter-approved change can only be effective for a maximum of four years. Pursuant to statute, if a school district receives any proceeds of taxes in excess of its appropriations limit, it may, by resolution of the governing board, increase its appropriations limit to equal the amount received, provided that the State has sufficient excess appropriations limit in that fiscal year.

Articles XIII C and XIII D

On November 5, 1996, California voters approved Proposition 218—Voters Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment. Proposition 218 added Articles XIII C and XIII D to the California Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. Among other things, Proposition 218 states that all taxes imposed by local governments shall be deemed to be either "general taxes" (imposed for general governmental purposes) or "special taxes" (imposed for specific purposes); prohibits special purpose government agencies, including school districts, from levying general taxes; and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote. Proposition 218 also

provides that no tax maybe assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4.

Article XIIC also provides that the initiative power shall not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. The State Constitution and the laws of the State impose a mandatory, statutory duty on the County Treasurer and Tax Collector to levy a property tax sufficient to pay debt service on the Series B Bonds coming due in each year. There is no court case which directly addresses whether the initiative power may be used to reduce or repeal the *ad valorem* taxes pledged to repay general obligation bonds. In the case of *Bighorn-Desert View Water Agency v. Virgil (Kelley)* (the “Bighorn Decision”), the California Supreme Court held that water service charges may be reduced or repealed through a local voter initiative subject to Article XIIC. The Supreme Court did state that it was not holding that the initiative power is free of all limitations. Such initiative power could be subject to the limitations imposed on the impairment of contracts under the contract clause of the United States Constitution. Legislation adopted in 1997 provides that Article XIIC shall not be construed to mean that any owner or beneficial owner of a municipal security assumes the risk of or consents to any initiative measure that would constitute an impairment of contractual rights under the contracts clause of the U.S. Constitution.

Article XIID deals with assessments and property-related fees and charges. Article XIID explicitly provides that nothing in Article XIIC or XIID 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 imposed by the District. No developer fees imposed by the District are pledged or expected to be used to pay the Series B Bonds.

The provisions of Article XIIC and XIID may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

The interpretation and application of Proposition 218 will ultimately be determined by the courts with respect to a number of matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions (“unitary property”). Under the State Constitution, such property is assessed by the State Board of Equalization (“SBE”) as part of a “going concern” rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the counties by SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

Proposition 46

On June 3, 1986, California voters approved Proposition 46, which provided 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 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.

Proposition 98 and 111

On November 8, 1988, California voters approved Proposition 98, a combined initiative, constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" ("Proposition 98"). Proposition 98 changed State funding of public education below the university level and the operation of the State's appropriations limit, 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), K-14 schools are guaranteed the greater of (a) 40.9% of State General Fund revenues (the "first test"), or (b) the amount appropriated to K-14 schools in the prior year, adjusted for changes in the cost-of-living (measured as in Article XIII B by reference to per capita personal income) and enrollment (the "second test"), or (c) a "third test" which would replace the second test in any year when the percentage growth in per capita State General Fund revenues from the prior year plus 1/2 of 1% is less than the percentage growth in California per capita personal income. Under the third test, 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 the third test is used in any year, the difference between the third test and the second test would become a "credit" to schools which would be paid in future years when State General Fund revenue growth exceeds personal income growth.

Proposition 98 permits the Legislature by two-thirds vote of both houses, with the Governor's concurrence, to suspend the K-14 schools' minimum funding formula for a one-year period, and any corresponding reduction in funding for that year will not be paid in subsequent years. However, in determining the funding level for the succeeding year, the formula base for the prior year will be reinstated as if such suspension had not taken place. In certain fiscal years, the State Legislature and the Governor have utilized this provision to avoid having the full Proposition 98 funding paid to support K-14 schools.

Proposition 98 also changes how tax revenues in excess of the State Appropriations Limit are distributed. "Excess" tax revenues are determined based on a two-year cycle, so that the State could avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year were under its limit. After any two-year period, if there are excess State tax revenues, 50% of the excess would be transferred to K-14 schools with the balance returned to taxpayers. Further, any excess State tax revenues transferred to K-14 schools are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit will not be increased by this amount.

Since Proposition 98 is unclear in some details, there can be no assurance that the Legislature or a court might not interpret Proposition 98 to require a different percentage of State General Fund revenues to be allocated to K-14 districts, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's Budget. In any event, some fiscal observers expect Proposition 98 to place increasing pressure on the State's budget over future years, potentially reducing resources available for other State programs, especially to the extent the Article XIII B spending limit would restrain the State ability to fund such other programs by raising taxes.

The application of Proposition 98 and other statutory regulations has become increasingly difficult to predict accurately in recent years. One major reason is that Proposition 98 minimums under the first test and the second test described above are dependent on State General Fund revenues. In several recent fiscal years, the State made actual allocations to K-14 districts based on an assumption of State General Fund revenues at a level above that which was ultimately realized. In such years, the State has considered the amounts appropriated above the minimum as a loan to K-14 districts, and has deducted the value of these loans from future years' estimated Proposition 98 minimums.

Proposition 187

At the November 8, 1994 General Election, California voters approved Proposition 187, an initiative statute, which makes illegal aliens ineligible for public social services, public health care services (unless emergency under federal law), and public school education at elementary, secondary and post-secondary levels. Among other things, Proposition 187 also requires state and local agencies to report persons who are suspected illegal aliens to the California Attorney General and the United States Immigration and Naturalization Service (the "INS"). The Legislative Analyst estimated the most significant fiscal effects of Proposition 187 would fall into the following three categories:

Program Savings. The state and local governments (primarily counties) would realize savings from denying certain benefits and services to persons who cannot document their citizenship or legal immigration status. These savings could be in the range of \$200 million annually, based on the current estimated use of these services and benefits by illegal immigrants.

Verification Costs. The state, local governments, and schools would incur significant costs to verify citizenship or immigration status of students, parents, persons seeking health care or social services, and persons who are arrested. Ongoing annual costs could be in the tens of millions of dollars, with first-year costs considerably higher (potentially in excess of \$100 million).

Potential Losses of Federal Funds. Proposition 187 places at risk up to \$15 billion annually in federal funding for education, health and welfare programs due to conflicts with federal requirements.

With respect to Public Education, the Legislative Analyst reported that any child who lives in California may attend public schools through high school. The U.S. Supreme Court has determined (in the case of *Plyler v. Doe*) that excluding children who are illegal immigrants from public schools violates the federal constitution.

Based on INS estimates, the exclusion of roughly 300,000 illegal immigrant children in California public schools, the State of California could save up to \$1.2 billion annually; however, in light of the U.S. Supreme Court decision in *Plyler v. Doe*, the Legislative Analyst has stated these estimated savings would not be realized.

Following the adoption of Proposition 187 by California voters, numerous suits were filed in federal courts challenging the constitutionality of Proposition 187. Orders have been issued by the federal district court to restrain the State from implementing Proposition 187. On March 8, 1998, the federal district court entered a final judgment in the case, holding key portions of the measure unconstitutional and permanently enjoining the State from implementing those sections which would have required law enforcement, teachers and social service and health care workers to verify a person's immigration status and subsequently report illegal immigrants to authorities and deny them social service, health care and education benefits. Due to uncertainties surrounding the future legal interpretations and court decisions with respect to the constitutionality of Proposition 187, the District is not able to estimate the future fiscal and operational impacts of this initiative statute on the District.

Proposition 227

Proposition 227 was enacted in the California Primary Election held on June 2, 1998, and amends the California Education Code to require that all children in California public schools be taught English by being taught in English, and requires that all children be placed in English language immersion classrooms. During a temporary transition period, normally not to exceed one year, English learners (students who do not speak English or whose native language is not English) will be educated in a sheltered English immersion program. Once English learners acquire a good working knowledge of English, they shall be transferred to English language mainstream classrooms. Proposition 227 also addresses penalties associated with not following the

law as written. In summary, Proposition 227 (1) removes the right of the local education agency (Board of Trustees) to determine the program of instruction for English learners, (2) establishes a complex system for parents who desire a waiver to have their children learn through their primary language, and (3) imposes penalties for refusal to implement the enactment of its entirety. The constitutionality of Proposition 227 has been upheld in federal court.

Proposition 39

On November 7, 2000, California voters approved Proposition 39, called the “Smaller Classes, Safer Schools and Financial Accountability Act” (the “Smaller Classes Act”) which amends Section 1 of Article XIII A, Section 18 of Article XVI of the California Constitution and Section 47614 of the California Education Code and allows an alternative means of seeking voter approval for bonded indebtedness by 55 percent of the vote, rather than the two-thirds majority required under Section 18 of Article XVI of the Constitution. The 55 percent voter requirement applies only if the bond measure submitted to the voters includes, among other items: (1) a restriction that the proceeds of the bonds may be used for “the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities,” (2) a list of projects to be funded and a certification that the school district board has evaluated “safety, class size reduction, and information technology needs in developing that list” and (3) that annual, independent performance and financial audits will be conducted regarding the expenditure and use of the bond proceeds.

Section 1(b)(3) of Article XIII A has been added to exempt from the one percent *ad valorem* tax limitation under Section 1(a) of Article XIII A of the Constitution levies to pay bonds approved by the 55 percent of the voters, subject to the restrictions explained above.

The Legislature enacted AB 1908, Chapter 44, which became effective upon passage of Proposition 39 and amends various sections of the Education Code. Under amendments to Section 15268 and 15270 of the Education Code, the following limits on *ad valorem* taxes apply in any single election: (1) for a school district, indebtedness shall not exceed \$30 per \$100,000 of taxable property, (2) for a unified school district, indebtedness shall not exceed \$60 per \$100,000 of taxable property, and (3) for a community college district, indebtedness shall not exceed \$25 per \$100,000 of taxable property. Finally, AB 1908 requires that a citizens’ oversight committee must be appointed to review the use of the bond funds and inform the public about their proper usage.

On November 4, 2008, the District voters approved the issuance of \$67,480,000 of general obligation bonds pursuant to Proposition 39. The District will be issuing the Series B Bonds pursuant to Proposition 39.

Proposition 1D

The Kindergarten-University Public Education Facilities Bond Act of 2006 (“Proposition 1D”) appeared on the November 4, 2008 ballot as Proposition 1D and was approved by California voters. This measure authorizes the sale and issuance of \$10.4 billion in general obligation bonds for construction and renovation of K-12 school facilities (\$7.3 billion) and higher education facilities (\$3.1 billion).

K-12 School Facilities. Proposition 1D makes available \$3.3 billion for reconstruction or modernization of existing K-12 school facilities. K-12 school districts will be required to pay for 40% of these costs with local revenues, unless qualified for hardship funding. Proposition 1D also includes \$1.9 billion for acquisition of land and new construction of K-12 school facilities. K-12 school districts will be required to pay for 50% of such costs with local revenues, unless qualified for hardship funding. Proposition 1D directs a total of \$1.0 billion to K-12 school districts which are considered severely overcrowded, specifically to schools that have large number of pupils relative to the size of the school site. Smaller amounts will be available to fund other projects as summarized in the table below.

Higher Education Facilities. Proposition 1D includes approximately \$3.1 billion to construct new buildings and related infrastructure, alter existing buildings and purchase equipment for use in the State's public higher education systems. The Governor and the Legislature will select the specific projects to be funded by the bond proceeds.

The table below shows the planned use of bond funds for the \$10.4 billion bond issuance:

**PROPOSITION 1D
Use of Bond Funds
(In Millions)**

K-12

Modernization projects	\$ 3,330 ⁽¹⁾
New construction projects	1,900 ⁽¹⁾⁽²⁾
Severely overcrowded schools	1,000
Charter schools facilities	500
Career technical facilities	500
Environment-friendly projects	100
Joint-use projects	<u>29</u>
Subtotal, K-12	<u>\$ 7,329</u>

Higher Education

Community Colleges	\$ 1,507
University of California	890 ⁽³⁾
California State University	<u>690</u>
Subtotal, Higher Education	<u>\$ 3,087</u>

Total	<u>\$ 10,416</u>
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⁽¹⁾ A total of up to \$200 million is available from these two amounts combined as incentive funding to promote the creation of small high schools.

⁽²⁾ Up to \$200 million is available for earthquake-related retrofitting.

⁽³⁾ \$200 million is available for medical education programs.

Source: California Legislative Analyst's Office.

Jarvis v. Connell

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). The Court of Appeal held that either a final budget bill, an emergency appropriation, a self-executing authorization pursuant to state statutes (such as continuing appropriations) or the California Constitution or a federal mandate is necessary for the State Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the District as being received from the State. To the extent the holding in such case would apply 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 such payments to the District if such required legislative action is delayed, unless the payments are self-executing authorizations or are subject to a federal mandate. On May 1, 2003, the California Supreme Court upheld the holding of the Court of Appeal, stating that the Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

Proposition 1A

On November 2, 2004, California voters approved Proposition 1A, which amended the State Constitution to reduce significantly the State's authority over major local government revenue sources. Under Proposition 1A, the State may not (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change in how property tax revenues are shared among local governments without two-third approval of both houses of the State Legislature, or (iv) decrease Vehicle License Fees revenues without providing local governments with equal replacement funding. Beginning in 2008-09, the State may shift to schools and community colleges a limited amount of local government property tax revenue if certain conditions are met, including (a) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (b) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amends the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools of community colleges or to those mandates relating to employee rights.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C, Article XIII D, and Propositions 39, 98, 111, 187, 227, 1A and 1D were each adopted as measures that qualified for the ballot pursuant to California's initiative process. From time to time other initiative measures could be adopted, further affecting school districts' revenues or such districts' ability to expend revenues.

There can be no assurance that the California electorate will not at some future time adopt other initiatives or that the Legislature will not enact legislation that will amend the laws or the Constitution of the State of California resulting in a reduction of amounts legally available to the District.

STATE OF CALIFORNIA FISCAL ISSUES

The following information concerning the State's budgets has been obtained from publicly available information which the District believes to be reliable; however, the District does not guaranty the accuracy or completeness of this information and has not independently verified such information. On March 13, 2009, the Legislative Analyst's Office (the "LAO") released a report analyzing the provisions of the 2009 Budget Act (the "2009 Budget Act Report"). In November 2009, the Legislative Analyst's Office (the "LAO") released its report "The 2010-11 Budget: California's Fiscal Outlook" (the "Fiscal Outlook Report"), on January 12, 2010 released its overview of the Governor's proposed budget for fiscal year 2010-11 and on May 18, 2010, released its report on the May revision to the Governor's proposed budget for fiscal year 2010-11. The following information has been adapted from information recently provided by the State in connection with its issuance of certain of its bonds and by the LAO in the reports listed above..

As a result of State budget shortfalls in recent years, the District has received significantly less revenue from the State and has had to reduce expenditures. See "DISTRICT FINANCIAL MATTERS—Comparative Financial Statements and 2009-10 Adopted Budget" herein.

State Current Financial Stress. Since the start of 2008, the State has been experiencing the most significant economic downturn and financial pressure since the Great Depression of the 1930s. As a result of continuing weakness in the state economy, state tax revenues have declined precipitously, resulting in large budget gaps and cash shortfalls. The Legislature and the Governor have had to adopt three major budget plans, covering both the 2008-09 and 2009-10 fiscal years, in less than 11 months, in response to continuing deterioration in the State's fiscal condition. In the course of these three budget plans, the Legislature enacted

some \$60 billion in budget solutions, including some revenue increases and borrowing, but consisting primarily of expenditure reductions which have affected almost all state government, education, social services and other programs funded by the State. The State's financial plan continues to be based on a number of assumptions which may not be realized, and further budgetary actions may be needed to maintain a positive balance for the State's General Fund at the end of the 2009-10 fiscal year. See the caption "Budget Risks" below.

The initial 2008 Budget Act adopted in September 2008 estimated State General Fund revenues and transfers for fiscal year 2008-09 of approximately \$102 billion with expenditures of \$103.4 billion. By the time of the adoption of the amended State budget for 2009 (the "Amended 2009 Budget Act") in July 2009, State General Fund revenues (even including certain new revenues) for the 2009-10 fiscal year were estimated at only \$89.5 billion and expenditures at \$84.6 billion. The Amended 2009 Budget Act only provides for a \$500 million reserve at June 30, 2010, an amount which may already be depleted because some of the budgetary assumptions currently being used by the State are not being fully realized.

Cash Management and Impact on Schools. The sharp drop in revenues over the last two fiscal years has also resulted in a significant depletion of cash resources to pay the State's obligations. For a period of one month, in February 2009, the State deferred making certain payments from the State General Fund in order to conserve cash resources for high priority obligations, such as education and debt service. Full payments resumed in March 2009, and the State was able to pay all its obligations through June 30, 2009, including repayment of \$5.5 billion of 2008-09 revenue anticipation notes. However, by July 2009, as new budget gaps were identified and with the failure to adopt corrective actions, the State's cash resources had dwindled so far that, commencing July 2, 2009, the State Controller began to issue registered warrants (or "IOUs") for certain lower priority obligations in lieu of warrants (checks) which could be immediately cashed. The registered warrants, the issuance of which did not require the consent of the recipients thereof, bore interest. With enactment of the Amended 2009 Budget Act in late July 2009, and the ability to issue \$1.5 billion of interim 2009-10 revenue anticipation notes, the State has been able to call all its outstanding registered warrants for redemption on September 4, 2009. The issuance of state registered warrants this year was only the second time the State has issued state registered warrants to such types of state creditors since the 1930s.

To better manage its cash flow in light of declining revenues, the State has enacted several statutes deferring the amounts owed to public schools, until a later date in the Fiscal Year, or even into the following Fiscal Year, in order to more closely align the State's revenues with its expenditures. This technique has been used several times through the enactment of budget bills in Fiscal Years 2008-2009 and 2009-2010. Some of these statutory deferrals were made permanent, and others were implemented only for one Fiscal Year.

The advance apportionment for most school districts was modified for Fiscal Year 2009-2010 pursuant to Chapter 23, Statutes of 2009. This bill reduced the annual estimated state aid for July, August, and November by adjusting the monthly percentage to meet a statewide target deferral amount of \$1 billion in July, \$1.5 billion in August, and \$1 billion in November. The reduced amounts were restored in December, October, and January respectively.

On March 1, 2010, the Governor signed a bill (and on March 4, 2010 and March 22, 2010, subsequently signed clean-up bills to amend and clarify certain provisions of such bill) to provide additional cash management flexibility to State fiscal officials (the "Cash Management Bill").

The Cash Management Bill authorizes deferral of certain payments during Fiscal Year 2010-2011 for K-12 school districts, including charter schools (not to exceed \$2.5 billion in the aggregate at any one time, and a maximum of three deferrals during the Fiscal Year). Deferrals of payments to K-12 schools may be made in July 2010, October 2010 and March 2011, for not to exceed 60, 90 and 30 days, respectively, but depending on actual cash flow conditions at the time, the State Controller, State Treasurer and Director of Finance of the State may either accelerate or delay the deferrals up to 30 days, or reduce the amounts deferred. On March 30, 2010, the State Controller, State Treasurer and Director of Finance of the State jointly provided

a written declaration to the Legislature and State Department of Education of the expected amounts and timing of payment deferrals for the 2010-2011 Fiscal Year. On April 16, 2010, the State Department of Education and the State Superintendent of Public Instruction issued a letter informing school districts of the expected amounts and timing of payment deferrals, which are as follows:

(1) 100% of the July 2010 payment will be deferred for 60 days to September 2010, in the amount of \$2.5 billion. A \$1,249,500,000 portion of this amount includes amounts further deferred from February and June 2010 pursuant to previous enactments;

(2) 100% of the October 2010 payment will be deferred for 90 days to January 2011, in the amount of \$2.5 billion; and

(3) 100% of the March 2011 payment will be deferred until April 29, 2011, in the amount of \$2.5 billion.

Certain school districts that can demonstrate hardship in procedures specified in the Cash Management Bill will not be subject to these deferrals. The application for an exemption from the payment deferrals requires, among other things, the school district, county of office of education or State Board of Education that granted an applicant's charter to certify to the State Superintendent of Public Instruction that deferral will cause an applicant to be unable to meet its expenditure obligations during the deferral period. In addition, an applicant must demonstrate that it has exhausted all internal and external sources of borrowing and will be forced to cease operations if payments are deferred. In total, the State Department of Finance estimates all deferrals authorized under the Cash Management Bill (which includes deferrals to community colleges, school districts, social services and other entities receiving State funds) will improve the State's cash position by up to \$5.3 billion in certain months, thereby reducing the need for external cash management borrowing or other measures.

There can be no assurances that the fiscal stress and cash pressures currently facing the State will not continue or become more difficult, or that continuing declines in State tax receipts or other impacts of the current economic recession will not further materially adversely affect the financial condition of the State. The Department of Finance has projected that multi-billion dollar budget gaps will occur annually through at least fiscal year 2012-13 without further corrective actions.

Enactment of State Budget for 2009-10. The State's budget for Fiscal Year 2009-10 was enacted in an unusual sequence. The 2008 Budget Act was one of the latest ever enacted, having been delayed until mid-September 2008 as a result of the difficulty of balancing the budget with reduced revenues, as declining economic conditions were already evident. The 2008 Budget Act, however, was based on revenue assumptions made in the spring of 2008, which proved to be greatly overstated by the time actual revenue results for September and October 2008 were received. With the financial market meltdown starting in September 2008, which resulted in massive federal assistance and caused large drops in stock market and other asset values and reductions in consumer spending, projections of tax revenues, which are heavily dependent on capital gains taxes and sales taxes, had to be dramatically reduced. In November 2008, the Governor announced that the 2008 Budget Act would be billions of dollars out of balance, and called several special sessions of the Legislature to enact corrective actions.

Initial 2009 Budget Act. The Initial 2009 Budget Act was adopted by the Legislature on February 19, 2009, along with a number of implementing measures, and signed by the Governor on February 20, 2009. In February, the State enacted \$36 billion in solutions to what was then estimated to be a \$42 billion State General Fund budget gap for the combined 2008-09 and 2009-10 fiscal years. It also provided for five budget-related measures that would have provided an estimated \$6 billion in additional budget solutions, to be placed before the voters on May 19, 2009. These measures were all rejected by the voters.

Under the Initial 2009 Budget Act, based on then-current assumptions about the State's financial circumstances, and assuming receipt of approximately \$8.0 billion of federal stimulus funds to offset State General Fund costs and voter approval of various ballot measures, State General Fund revenues and transfers were projected to increase 9.3 percent, from \$89.4 billion in fiscal year 2008-09 to \$97.7 billion in fiscal year 2009-10. The Initial 2009 Budget Act contained State General Fund appropriations of \$92.2 billion, compared to \$94.1 billion in 2008-09, a 2.0 percent decrease. The June 30, 2010 total reserve was projected to be \$2.1 billion, an increase of \$5.5 billion compared to the estimated June 30, 2009 reserve deficit of negative \$3.4 billion.

After adoption of the Initial 2009 Budget Act, the State continued to experience continuing significant declines in revenues and other financial pressures. On May 14, 2009, the Governor released the 2009-10 May Revision. Together with subsequent revisions, the 2009-10 May Revision identified a further budget shortfall through the 2009-10 fiscal year of approximately \$24 billion.

Adoption of Amended 2009 Budget Act. On July 24, 2009, the Legislature approved the amendments to the Initial 2009 Budget Act and the Governor signed the Amended 2009 Budget Act on July 28, 2009. The Amended 2009 Budget Act includes another \$24 billion in solutions to address the further deterioration of the State's fiscal situation identified in the 2009-10 May Revision.

Under the Amended 2009 Budget Act, State General Fund revenues and transfers are projected to increase 6.4 percent, from a revised \$84.1 billion in fiscal year 2008-09 to \$89.5 billion in fiscal year 2009-10. The Amended 2009 Budget Act contains State General Fund appropriations of \$84.6 billion in 2009-10, compared to \$91.5 billion in 2008-09, a 7.5 percent decrease. The June 30, 2010 total reserve is projected to be \$500 million as compared to the revised June 30, 2009 reserve of negative \$4.5 billion.

The Amended 2009 Budget Act contains the following major State General Fund components:

1. **Addressing the Deficit** – The \$60 billion in budget solutions adopted for the combined fiscal years 2008-09 and 2009-10 (\$36 billion in solutions were adopted in February 2009 and \$24 billion in July 2009) are wide-ranging and touch all three of the State's major revenue sources (personal income taxes, corporation taxes and sales and use taxes). Spending cuts are implemented in virtually every State program that receives State General Fund support. The budget solutions include spending reductions of \$31.0 billion (52 percent of total solutions). The spending reductions consist primarily of reductions in education spending under Proposition 98 (\$14.9 billion reduction), higher education (\$3.3 billion reduction), employee compensation (\$2.0 billion reduction), and reductions in other spending due to the use of redevelopment agency revenues and fund balances to pay costs that would otherwise be payable from the State General Fund (\$1.7 billion reduction). The budget solutions also include an estimated receipt of \$8.0 billion (13 percent of total solutions) of federal stimulus funds which will be used to offset State General Fund expenditures. Additional solutions include \$12.5 billion of tax increases (21 percent of total solutions), and \$8.4 billion of other solutions (14 percent of total solutions). Significant elements of the other budget solutions include:
 - ***Proposition 1A of 2004 Borrowing from Local Governments*** – The Amended 2009 Budget Act authorizes the State to exercise its borrowing authority under Proposition 1A of 2004 to borrow from local agencies up to 8 percent of their 2008-09 property tax revenues. This borrowing is estimated to generate \$1.935 billion that will be used to offset State General Fund costs for a variety of court, health, corrections, and K-12 programs. The enabling legislation specifies the borrowed sums will be repaid by the State, with interest, no later than the end of June 2013.
 - ***Redevelopment Agency Borrowing*** – The Amended 2009 Budget Act also contains a shift of \$1.7 billion in local redevelopment agency funds to the State from current revenues and

reserves in 2009-10 and \$350 million in 2010-11. Under the Amended 2009 Budget Act these revenues are ultimately shifted to schools that serve the redevelopment areas. An association of redevelopment agencies has announced that it will sue to block this transfer which if successful could adversely affect the State's financial condition. (The failure of the Legislature, during the regular session ended on September 11, 2009, to pass clean-up legislation clearly authorizing redevelopment agencies to borrow from low and moderate income housing accounts may jeopardize the ability of some agencies to make their full payment to the Supplemental Education Revenue Augmentation Fund in 2009-10, thus some portion of the \$1.7 billion budget solution may not be achieved in 2009-10 as planned. It is likely that these funds could be paid in later years as agencies receive new revenues with which to make the payments.)

- *Payroll Shift* – One-time savings of \$1.618 billion (\$937.6 million State General Fund) from shifting the June payments for employee payroll and active and retiree health to July each year beginning with the pay period ending June 30, 2010. This payment shift excludes the University of California, California State University, Community Colleges, the Legislature, the California Exposition and State Fair, and local trial courts.
 - *State Compensation Insurance Fund Sale* – One-time revenues of \$1 billion from the sale of certain assets of the State Compensation Insurance Fund (“SCIF”).
2. Federal Stimulus – The Amended 2009 Budget Act assumed the receipt of at least \$8 billion from the American Recovery and Reinvestment Act of 2009 to offset State General Fund expenditures in fiscal years 2008-09 and 2009-10. Final estimates put this amount at about \$8.1 billion. As of the end of August 2009, approximately \$5 billion has been received by the State.
 3. Cash Flow Management – The deterioration of revenues resulted in a cash shortage in 2008-09 and 2009-10. In order to manage cash flow and provide for timely payments of the State's obligations, the Amended 2009 Budget Act includes a number of cash solutions to better balance timing of receipts and disbursements.
 4. Proposition 98 – The Proposition 98 Guarantee for 2009-10 is projected to be \$50.4 billion, of which \$35.0 billion is the State General Fund portion. See “—Proposition 98 and K-14 Funding” below.
 5. K-12 Education – The Amended 2009 Budget Act includes \$66.7 billion for K-12 education programs for 2009-10 of which \$35.0 billion is funded from the State General Fund. This reflects a decrease of \$1.8 billion or 2.6 percent below the revised 2008-09 budget. Total per-pupil expenditures are projected to decrease by \$262 to \$11,259 in 2009-10.
 6. Higher Education – The Amended 2009 Budget Act reflects a total funding of \$20.9 billion, including \$12.5 billion State General Fund and Proposition 98 sources for all major segments of Higher Education (excluding infrastructure and stem cell research). This reflects an increase of \$1.416 billion (including \$248.6 million State General Fund and Proposition 98 sources) above the revised 2008-09 estimate.
 7. Health and Human Services – The Amended 2009 Budget Act includes \$24.8 billion in non-Proposition 98 State General Fund expenditures for Health and Human Service Programs for 2009-10, which is a decrease of \$3.9 billion or 13.5 percent from the revised 2008-09 estimate. Due to the State's severe fiscal shortfall, the Initial 2009 Budget Act included \$2.4 billion in proposed State General Fund expenditure reductions in Health and Human Services programs in 2009-10, and the Amendments to the 2009 Budget Act include an additional \$3.4 billion in 2009-10 State General Fund expenditure reductions in these programs. Unlike the budget enacted by

the Legislature in February, the Amended 2009 Budget Act reflects significant State General Fund relief for Health and Human Services programs resulting from the American Recovery and Reinvestment Act of 2009.

8. Transportation Funding – The Amended 2009 Budget Act includes \$1.441 billion of State General Fund expenditures to fully fund local transportation programs under Proposition 42 in 2009-10. Proposition 1B was also passed in November 2006, providing \$19.9 billion in bonding authority for a total of 16 programs intended to address a broad range of transportation priorities including rehabilitation and expansion of highways, transit and transit security, port security, and air quality. The authority for the use of any bond funds must be provided for in a budget act. The Amended 2009 Budget Act appropriates \$4.2 billion of funds from the Proposition 1B bond authorization. Additionally, the Amended 2009 Budget Act directs \$953 million of funds from sales tax on fuels to offset costs of programs otherwise likely to be funded from the State General Fund such as debt service on transit bonds and other transportation programs. Of this amount approximately \$816 million is for uses substantially similar to those that are the subject of litigation related to the 2008 Budget Act. On September 30, 2009 the Supreme Court denied review of an adverse Court of Appeal decision in this case.
9. Budget Stabilization Account – Under normal circumstances, the State would set aside a specified portion of estimated annual State General Fund revenues for fiscal year 2009-10 in the BSA for reserves that may be used to offset future shortfalls in the State General Fund. Given the magnitude and urgency of the State’s ongoing financial stress, the Amended 2009 Budget Act continues to suspend the transfer to the BSA for the 2009-10 fiscal year.
10. Prison Funding – The Amended 2009 Budget Act includes \$7.9 billion in State General Fund expenditures for the California Department of Corrections and Rehabilitation (“CDCR”). In arriving at this figure, a total of \$1.2 billion of savings for CDCR operations was assumed. Approximately \$600 million of these savings require further legislative approval to implement and will be achieved through, among other things, prison and parole reforms. (Legislative action on September 11 results in fewer reforms than assumed in the Amended 2009 Budget Act, and will therefore generate less savings. The savings loss is estimated at \$233.4 million.)

New Revenues. The Amended 2009 Budget Act includes several major changes in State General Fund revenues described below. The Amended 2009 Budget Act did not include any additional tax increases over those provided for pursuant to the Initial 2009 Budget Act, though it does include certain tax law changes intended to increase tax compliance and accelerate some revenues that were not in the Initial 2009 Budget Act.

As part of the Amended 2009 Budget Act, the Department of Finance assumed that revenues in fiscal year 2009-10 would be \$3.0 billion lower than the level assumed in the 2009-10 May Revision forecast. The Department of Finance also revised revenues prior to 2008-09 upward by an increase of \$1.3 billion to account for a prior-year adjustment that affects the beginning balance, and reduced 2008-09 revenues by \$1.8 billion, for an aggregate reduction over all fiscal years of \$3.5 billion. The change for years prior to 2008-09 is related to the 2008 Budget Act provision that imposed a 20 percent penalty for corporations that understate their tax liability by \$1 million or more. The penalty revenues, which were received in 2008-09 but attributable to prior years, resulted in a positive \$1.3 billion prior-year adjustment to corporation tax revenues for years prior to 2008-09. The Department of Finance assumed a \$1.8 billion reduction to revenues in 2008-09 from the 2009-10 May Revision forecast based on the trends seen in May and June tax collections. For 2008-09 and 2009-10, the revenue reductions were not allocated to any specific revenue source.

In the following paragraphs, the additional amounts expected to be generated from the respective tax law changes were derived from the 2009-10 May Revision, and do not take into account the \$3.0 billion reduction for 2009-10 described above.

- Temporary Sales Tax Increase: Effective April 1, 2009, the State General Fund sales and use tax rate was temporarily increased by 1 cent, from 5 percent to 6 percent. This tax increase will be in effect through June 30, 2011. At the time of adoption, this tax law change was expected to generate additional sales tax revenues of \$1.203 billion in 2008-09 and \$4.533 billion (net of \$213 million transferred to the Transportation Investment Fund under Proposition 42) in 2009-10 for the State General Fund.
- Vehicle License Fees: Effective May 19, 2009, vehicle license fees were temporarily increased from 0.65 percent to 1.15 percent with 0.35 percent going to the State General Fund and 0.15 percent going to the Local Safety and Protection Account for local law enforcement grant programs previously funded from the State General Fund. Vehicle license fees apply to the value of the vehicle (initially its market value and then subject to a standard depreciation schedule). This increase is scheduled to remain in effect through June 30, 2011. At the time of adoption, this law change was expected to generate additional revenues of approximately \$360 million in 2008-09 and \$1.6 billion in 2009-10.
- Personal Income Tax Surcharge: The Amended 2009 Budget Act provides for a temporary addition of 0.25 percent to each personal income tax rate for tax years 2009 and 2010. At the time of adoption, this change was expected to generate approximately \$2.8 billion of additional State General Fund revenues in 2009-10.
- Dependent Exemption Credit Reduction: The Amended 2009 Budget Act includes a temporary reduction in the Personal Income Tax exemption credit for dependents to the amount provided for the personal credit for tax years 2009 and 2010 from \$309 to \$99 (tax year 2008 values). At the time of adoption, this change was expected to generate approximately \$1.4 billion of additional State General Fund revenues in 2009-10.

The Amended 2009 Budget Act includes tax law changes affecting the State General Fund as described below.

- Non-Retailer Registration for Use Tax: Under current law, non-retailers – those who do not sell tangible personal property – are not required to register with the Board of Equalization (“BOE”). This law change will require non-retailers that hold a business license and have at least \$100,000 in gross receipts to register with the BOE and submit a return that details purchases made during the year that were subject to the use tax yet for which no use tax was paid. This law change is expected to increase State General Fund sales and use tax revenue by \$26 million in 2009-10 and \$123 million in 2010-11, with increasing amounts thereafter.
- Accelerate Estimated Tax Payments: Under current law, individuals and corporations are required to pay 30 percent each with the first two estimated payments, and 20 percent each for the last two estimated payments. Under this law change, beginning with the 2010 tax year, the first quarter estimated payment percentage will remain at 30 percent, the second quarter will increase to 40 percent, the third estimated payment will be eliminated, and the fourth quarter estimated payment will increase from 20 percent to 30 percent. This law change is expected to accelerate \$610 million into 2009-10 (\$250 million in personal income tax receipts and \$360 million in corporate tax receipts).
- Accelerate Wage Withholding: This tax law change will increase current wage withholding rates by 10 percent and is expected to accelerate \$1.7 billion of personal income tax receipts into 2009-10.
- Require Backup Withholding: Under current federal law, gambling winnings reported on Internal Revenue Service (“IRS”) Form W2G and payments made by banks and businesses reported on

various IRS 1099 forms may be subject to backup withholding on those payments. Payments reported on IRS 1099 forms include payments to independent contractors, rents, commissions, and royalty payments. This law change will conform state law to federal law by requiring a withholding rate of 7 percent for state purposes whenever it is required for federal purposes. This law change is expected to increase personal income tax revenues by \$32 million in 2009-10.

Projected Future Deficits. Since many of the actions taken to balance the State's Amended 2009 Budget Act were either one-time actions, or involve loans which have to be repaid, or are based on temporary revenue increases or the limited receipt of federal stimulus funds, budget gaps of several billions of dollars a year are expected to recur in 2010-11 and subsequent years. At the time of adoption of the Amended 2009 Budget Act, the Department of Finance projected that, using expenditure obligations under existing law and various assumptions concerning revenues in future years, the State would, in the absence of taking additional steps to balance its budget, face an "operating deficit" (expenditures exceeding revenues in the same fiscal year) of \$7.4 billion in fiscal year 2010-11, \$15.5 billion in 2011-12 and \$15.1 billion in 2012-13. These projections contained a number of assumptions including that the State will ultimately prevail in the pending and threatened litigation concerning budget actions.

The Fiscal Outlook Report updates expenditure and revenue projections for fiscal year 2009-10 and later fiscal years and projects an addition \$14.4 billion budget shortfall in fiscal year 2010-11 if no corrective actions are taken and ongoing budget shortfalls of at least \$20 billion in each fiscal year through 2013-14.

The financial condition of the State is subject to a number of other risks in the future, including particularly potential significant increases in required state contributions to the Public Employees' Retirement System, increased financial obligations related to Other Post-Employment Benefits, and increased debt service.

Proposition 98 Funding. The 2009 Budget Amendments reduce Proposition 98 funding to \$49.1 billion in fiscal year 2008-09, a change of \$1.6 billion from the levels set by the Initial 2009 Budget Act. This reduction is achieved primarily by reverting unallocated categorical programs funding that had not been distributed at the end of the 2008-09 fiscal year to the State General Fund. The 2009 Budget Amendments also create a future funding obligation, or "maintenance factor," of \$11.2 billion as a result of the reductions in Proposition 98 funding for fiscal year 2008-09. Payments with respect to this funding obligation will be required in future fiscal years until repaid in full.

For fiscal year 2009-10, the Amended Budget Act reduces Proposition 98 funding to \$50.4 billion, a change of \$4.5 billion from the funding levels set by the 2009 Budget Act. This figure reflects a total reduction in Proposition 98 funding of \$5.3 billion, which is offset by \$850 million in redevelopment revenues shifted from certain state agencies, as discussed above. The bulk of this reduction consists primarily of (i) \$2.1 billion in reductions to school district and county office of education revenue limit payments, (ii) \$80 million in reductions to basic aid school district categorical programs, (iii) \$580 million in reductions to ongoing California Community College funding, and (iv) a deferral of \$1.7 billion in school district revenue limit payments and \$115 million community college apportionments from the 2009-10 fiscal year to August of the 2010-11 fiscal year. As a cash management measure, the 2009 Budget Amendments also defer approximately \$2 billion in K-12 apportionments from the first few months of the 2009-10 fiscal year to December 2009 and January 2010.

Governor's Proposed 2010-2011 State Budget. On January 8, 2010, the Governor released his proposed budget for fiscal year 2010-11 (the "Proposed 2010-11 Budget"). On January 12, 2010, the Legislative Analyst's Office released its overview of the Proposed 2010-11 Budget (the "LAO Report"). The following information is adapted from the LAO Report.

The Proposed 2010-11 Budget estimates that, absent corrective measures, the State will end fiscal year 2009-10 with a \$6.6 billion deficit. Also, General Fund expenditures in fiscal year 2010-11 are projected to exceed revenues by approximately \$12.3 billion. The projected budget gap results from an inability of the

state to achieve previous budget solutions in several areas, the effects of certain adverse court rulings, and the expiration of various one-time and temporary budget solutions approved as part of the 2009-10 State budget.

To address the projected budget gap, the Proposed 2010-11 Budget includes approximately \$19.9 billion worth of measures affecting both fiscal year 2009-10 and 2010-11. Specifically, the Proposed 2010-11 Budget includes \$7.6 billion of expenditure reductions, \$7.9 billion worth of measures requiring either federal government funding or flexibility to change programs funded wholly or in part by the federal government, and \$4.5 of additional solutions, comprised primarily of fund shifts.

With the implementation of these measures, the Proposed 2010-11 Budget assumes year-end revenues of \$88.1 billion for fiscal year 2009-10, an increase of 6.4% from the prior year. The State is projected to end the 2009-10 fiscal year with a \$5.4 billion deficit, thus eliminating the \$500 million surplus enacted as part of the 2009 Budget Amendments. For fiscal year 2010-11, the Proposed 2010-11 Budget assumes total expenditures of \$82.9 billion (reflecting a decrease of 3.7% from the prior year) and total revenues of \$89.3 billion (reflecting an increase of 1.4% from the prior year). The State is also projected to end fiscal year 2010-11 with a \$1 billion surplus.

Total Proposition 98 expenditures are reduced by \$893 million in fiscal year 2009-10. The bulk of these reductions come from mid-year adjustments to Proposition 98 funding. Specifically, the Proposed 2010-11 Budget recognizes \$340 million in purported savings from increased K-3 class sizes and \$228 million in various baseline adjustments resulting primarily from reduced student attendance.

For fiscal year 2010-11, the Proposed 2010-11 Budget implements \$1.5 billion in reductions to K-12 revenue limit funding. This reduction would be achieved by (1) requiring school districts to spend less on central administration, (2) consolidating county office of education functions, and (3) removing restrictions on the contracting out of non-instructional services. The remaining cuts include recognizing a 0.38% decline in costs of living adjustments (\$230 million), reducing eligibility and reimbursement rates for CalWORKs Stage 3 child care (\$200 million), and recognizing additional savings from increased K-3 class sizes (\$210 million). The Proposed 2010-11 Budget also provides \$126 million to fund a 2.2% enrollment growth at California community colleges, and \$77 million to fund three K-12 mandates.

The Proposed 2010-11 Budget would implement new flexibility for school districts to respond to the various proposed cuts, including (1) eliminating seniority rules that apply to layoffs, assignments/reassignments, transfers and hires, (2) eliminating rules regarding priority for receiving substitute teacher assignments, and (3) extending the layoff notification window to 60 days after the state budget has been enacted.

With the implementation of these measures, the Proposed 2010-11 Budget provides for \$49.8 billion in Proposition 98 funding for fiscal year 2009-10, including \$34.6 billion from the State general fund. For fiscal year 2010-11, Proposition 98 funding is set at \$49.9 billion, including \$36.1 from the State general fund, reflecting an increase of 0.2% from the prior year. The LAO notes that, while Proposition 98 funding remains virtually flat across fiscal years 2009-10 and 2010-11, the State general fund share will increase by approximately 4.1%, while the share covered by local property tax revenues will decline by approximately 8.7%. While this is attributable in part to the slumping real estate market, the bulk of the decline in State general fund support results from the one-time \$850 million contribution from redevelopment agencies approved as part of the 2009 Budget Amendments.

Generally, the LAO is supportive of the Proposed 2010-11 Budget's funding of Proposition 98, particularly the Governor's efforts to keep Proposition 98 spending flat across the current and coming fiscal year, and the flexibility options for school districts. However, the LAO notes that minimum funding guarantee for fiscal year 2010-11 could rise if the Legislature does not adopt the proposed modifications to transportation funding discussed herein, or if the State does not receive all the anticipated federal stimulus funds built into the Proposed 2010-11 Budget. Moreover, the LAO notes that approximately \$600 million of the proposed

reductions to education funding are predicated on the receipt by the State of a federal waiver of maintenance-of-effort requirements under ARRA.

In addition to the provisions regarding education funding discussed above, the Proposed 2010-11 Budget includes the following major features:

- *Transportation Funding.* Elimination of most Proposition 42 transportation funding by repealing the State sales tax on gasoline. The State would make up the lost revenues by increasing the per gallon excise tax on gasoline (the "Gas Tax"). For fiscal year 2010-11, this proposal is projected to reduce fuel sales tax revenues by \$2.8 billion. The Proposed 2010-11 Budget would partially offset this loss with a 10.8 cents per gallon increase of the Gas Tax, which is projected to generate \$1.9 billion in revenues, resulting in a net reduction of transportation revenues of approximately \$1 billion. The Proposed 2010-11 Budget does not provide any additional public transit or rail funding, either in fiscal year 2010-11 or going forward. In addition, by reducing State sales tax revenues, the Proposed 2010-11 Budget expects to achieve additional savings by lowering the Proposition 98 minimum funding guarantee.
- *State Employees.* \$1.6 million of anticipated general fund savings by ending the current employee furlough program and instituting (1) a five percent reduction of state employee salaries across the board, (2) a five percent increase in employee pension contributions, and (3) a five percent unallocated reduction of departmental personnel costs.
- *Medi-Cal.* \$750 million of various measures designed to reduce Medi-Cal costs through unspecified limits on services, utilization controls, and increased cost sharing with benefits recipients through copayment requirements or premiums. The Proposed 2010-11 Budget also anticipates \$294 million in savings in fiscal years 2009-10 and 2010-11 by eliminating full-scope Medi-Cal services for certain immigrants, eliminating adult day health care benefits, delaying payments to institutional providers, and rescinding family planning rate increases.
- *Corrections/Rehabilitation.* \$811 million of assumed savings from the reduction of inmate medical costs. The LAO notes that the Proposed 2010-11 Budget fails to specify the measures of achieving this savings. The Proposed 2010-11 Budget also assumes savings of \$25 million in fiscal year 2009-10 and \$292 million in 2010-11 by requiring that certain non-serious, non-violent and non-sex-offense felonies result in one-year county jail sentences in lieu of state prison sentences.
- *Department of Developmental Services.* \$200 million in assumed savings in fiscal year 2010-11 through various cost-control measures for the Department of Developmental Services ("DDS").
- *Delay of Local Government Mandate Payments.* \$137 million in anticipated reductions by suspending mandates not related to elections, law enforcement and property taxes. The Proposed 2010-11 Budget also anticipates saving \$95 million by deferring scheduled mandates for costs incurred prior to fiscal year 2004-05.
- *Social Services.* \$178 million in reductions to SSI/SSP programs by reducing grants to individuals by \$15 per month (or 1.8%). The Proposed 2010-11 Budget also includes a 15.7% reduction in CalWORKs grants, with assumed general fund savings of \$117 million.
- *Proposition 10 Ballot Proposal.* The Proposed 2010-11 Budget would place, on the June 2010 election ballot, a measure to allow use of Proposition 10 early childhood development funds for State general fund-supported DDS and Department of Social Services programs that

serve children. It is anticipated that these measures would generate \$550 million in general fund savings. The LAO notes that this proposal is similar to the Proposition 1D ballot proposal that was unsuccessfully put to the voters as part of the 2009 Budget Act.

- *Proposition 63 Ballot Proposal.* The Proposed 2010-11 Budget would also place on the June 2010 election ballot a measure shifting \$452 million of Proposition 63 mental health funds to pay State general fund costs for specified Department of Mental Health programs in fiscal years 2010-11 and 2011-12. The LAO notes that this proposal is similar to the Proposition 1E ballot proposal that was unsuccessfully put to the voters as part of the 2009 Budget Act.
- *Other Measures.* The Proposed 2010-11 Budget also includes the following measures: (1) elimination of the Cash Assistance Program for Immigrants and the California Food Assistance Program (\$200 million); (2) use of automated speed enforcement systems to reduce state costs for trial courts (\$297 million); (3) a 4.8% surcharge on residential and commercial property insurance (\$200 million) to cover fire protections costs; (4) approval by the Legislature of a lease to mine oil and gas off the Santa Barbara coast (\$197 million) to cover costs associated with the State park system.

In addition to the various expenditures reductions and revenue measures described above, the Proposed 2010-11 Budget relies heavily on the receipt of federal government funding, or operating flexibility for state-federal programs, collectively totaling \$7.9 billion. As discussed above, the LAO notes that other portions of the Proposed 2010-11 Budget, including some cuts to education funding, may also require federal approval.

The Proposed 2010-11 Budget identifies \$6.9 billion of federal funds to relieve fiscal year 2010-11 general fund costs, many of which, if received, would be of a one-time nature. These funds include the following:

- *Medi-Cal/Medicare.* Assumed savings of \$1.8 billion by having the federal government increase the State's Federal Medical Assistance Percentage ("FMAP") funding ratio. The Proposed 2010-11 Budget also would request the federal government to extend through June 30, 2011 the increased FMAP provided as part of ARRA, resulting in an assumed savings of \$1.2 billion. Pursuant to ARRA, this increased FMAP is set to expire during calendar year 2010. Finally, the Proposed 2010-11 Budget assumes \$1 billion in Medi-Cal relief from various federal moneys the Governor's administration believes are owed to the State, including funds related to health costs for individuals actually eligible for Medicare and changes to the level of state funding for prescription drug costs.
- *Other Federal Funds.* The Proposed 2010-11 Budget assumes State general fund savings in connection with other miscellaneous programs, including: (1) \$1 billion of anticipated federal reimbursement for special education services; (2) \$538 million from an extension of ARRA funding for the CalWORKs program; and (3) \$880 million of federal funding to fully offset costs of incarcerating undocumented immigrants, which the LAO notes is substantially in excess the federal funding the State has received in past years for such costs (approximately \$111 million per year).

The Proposed 2010-11 Budget includes other expenditure and revenue measures that may be triggered in the event some of the above-described federal funds are not received. Possible expenditure reductions (\$3.8 billion) include elimination of the CalWORKs, IHSS and Health Families programs, and well as an additional five percent state employee salary reduction. Possible one-time revenue increases (\$2.3 billion) include the extension of business tax changes relating to operating losses, extension of the temporary reduction in the dependent personal income tax credit approved as part of the 2009 Budget Act, and the delayed implementation of various other personal and corporate tax breaks.

While generally supportive of the Proposed 2010-11 Budget's revenue forecasts, the LAO perceives some flaws. Beyond questioning some of the assumed savings claimed by the Proposed 2010-11 Budget, the LAO notes that many of the proposed measures, such as a unilateral increase in state employee pension contributions, raise questions regarding their legality. Other proposed cuts to health, social services and transportation funding may face lawsuits. Finally, the LAO cautions that it is highly unlikely that the State will receive all the federal funds or flexibility sought by the Proposed 2010-11 Budget, and advocates more modest assumptions in the receipt of such federal assistance.

Additional information regarding the Proposed 2010-2011 Budget may be obtained from the LAO at www.lao.ca.gov.

May Revision to 2010-11 Proposed State Budget

Governor's May Revision to the Proposed 2010-11 Budget. On May 14, 2010, the Governor released his May revision to the Proposed 2010-11 Budget (the "May Revision"). On May 18, 2010, the LAO released its summary of the May Revision (the "LAO May Revision Summary"). The following information is drawn from the May Revision Summary.

The May Revision estimates a total budget deficit of \$17.9 billion through fiscal year 2010-11, a net reduction of approximately \$1 billion from the deficit projected by the Proposed 2010-11 Budget. This reduction results from (1) increased State revenues occasioned by the gas tax and enhanced Medicaid federal matching funds and (2) offsetting cost increases and declines in State revenues. Absent corrective action, the May Revision estimates that the State will end fiscal year 2009-10 with a \$7.7 billion deficit. State general fund expenditures for fiscal year 2010-11 are also expected to exceed revenues by approximately \$10.2 billion.

To address this projected gap, the May Revision proposes measures totaling \$19.1 billion for both fiscal years 2009-10 and 2010-11. These measures are in addition to, or modify, those set out by the Proposed 2010-11 Budget. Specifically, the May Revision proposes \$12.2 billion in expenditure reductions, \$2.6 billion in loans, transfers and fund shifts, and \$900,000 in revenue increases. The May Revision also assumes the receipt of \$3.4 billion in federal funds, a significant decrease from the amount assumed by the Proposed 2010-11 Budget.

With the implementation of these measures, the May Revision assumes, for fiscal year 2009-10, year-end revenues of \$86.5 billion and expenditures of \$86.4 billion. The May Revision projects that the State will end the 2009-10 fiscal year with a deficit of \$6.8 billion. For fiscal year 2010-11, the May Revision projects total revenues of \$91.4 billion and expenditures of \$83.4 billion. The May Revision projects that the State will end the 2010-11 fiscal year with a \$1.2 billion reserve.

For fiscal year 2009-10, the May Revision keeps total Proposition 98 funding virtually unchanged at \$49.9 billion. This level of funding is maintained despite a drop in State general fund revenues and a corresponding decrease in the Proposition 98 minimum guarantee. As a result, the May Revision provides for \$503 million more than the Proposed 2010-11 Budget. The May Revision counts this overappropriation as a payment towards the State's \$11.2 billion in outstanding maintenance factor payments. Although total Proposition 98 funding remains relatively unchanged, the State general fund share increases to \$35.8 billion (an increase of approximately \$1.2 billion) to offset declines in local property tax revenues.

For fiscal year 2010-11, the May Revision reduces total Proposition 98 funding to \$48.4 billion, including \$35 billion from the State general fund. The May Revision purports to achieve the bulk of this reduction (\$1.2 billion) by eliminating all Proposition 98 support for state-subsidized child care. The May Revision also purports to achieve \$1.5 billion in savings by "rebenching" the Proposition 98 minimum funding guarantee to reflect the elimination of these child care services. The LAO notes that the legality of this rebenching is unclear and suggests that the Legislature consider suspending Proposition 98 in fiscal year 2009-

10 and fund the minimum Proposition 98 guarantee amount of \$50.8 billion in fiscal year 2010-11 or suspend the guarantee in both fiscal years and fund a flat amount of \$49.8 billion in both years.

Other significant measures included as part of the May Revision are discussed below:

- *State Employees.* \$795 million in anticipated savings from a mandatory personal leave program pursuant to certain State employees will have their take-home pay reduced by the equivalent of eight hours of pay each month during fiscal year 2010-11. Such employees would be credited with a corresponding amount of personal leave hours.
- *CalWORKs.* \$1.2 billion by the elimination of the CalWORKs program. Combined with other CalWORKs reductions set forth in the Proposed 2010-11 Budget, total savings are assumed to be \$2.5 billion. The LAO recommends the rejection of this proposal, principally on grounds that the State would forego significant amounts of federal funding tied to CalWORKs and that elimination of the program would shift to counties the cost of providing services to needy families.
- *Medi-Cal.* Approximately \$900 million in savings from a variety of changes to the Medi-Cal program, including: (i) enrolling seniors and persons with disabilities in managed care; (ii) imposing new copayment requirements for various services, hospital stays and emergency room visits; (iii) limiting physician and clinic visits to ten per year; and (iv) freezing hospital rates. The May Revision assumes federal approval of these reductions. The May Revision also largely eliminates the Drug Medi-Cal program, a substance abuse program partly funded by the federal government.
- *Health.* \$602 million in purported savings by allowing counties to provide no more than the minimum range of mental health services required by the federal government for participation in Medicaid. The May Revision has also removed the Proposition 63 ballot measure included in the Proposed 2010-11 Budget.
- *In-Home Supportive Services.* With a majority of prior In-Home Supportive Services (“IHSS”) reductions blocked by court decisions, the May Revision proposes \$750 million in savings to be achieved through cost-containment measures developed in consultation with stakeholders. For fiscal year 2010-11, the net benefit to the State general fund is projected to be \$637 million after factoring in the receipt of federal matching funds under the American Reinvestment and Recovery Act.
- *Corrections/Rehabilitation.* \$244 million in anticipated savings by requiring that certain non-serious, non-violent, non-sex offenders convicted of specified felonies, and who receive a sentence of three years or less, serve such sentences in county jails rather than state prisons.
- *Federal Funding.* As mentioned above, the State has already received federal Medicaid matching funds amounting to approximately \$680 million. The May Revision assumes the receipt of an additional \$3.4 billion in federal aid, with approximately half coming from the congressional extension of the FMAP program and other federal economic stimulus funds. The LAO notes that this amount is significantly lower than the amount of federal funds assumed by the Proposed 2010-11 Budget, and, accordingly, no “trigger” list of alternative proposals is included in the May Revision.
- *Other Measures.* \$1.6 billion of one-time budget relief from the use of special fund monies for State general fund purposes. Also, the May Revision assumes approximately \$200

million in savings through the use of federal retiree reinsurance funds to reduce costs associated with the PERS program.

The LAO May Revision Summary concludes that the State continues to face an ongoing annual General Fund budget gap of around \$20 billion through at least 2014-15. The LAO calculates these ongoing shortfalls will range between \$4 billion and \$7 billion through fiscal year 2014-15 even if all of the Governor's recommendations in the May Revision are implemented.

Future Budgets and Actions

The District cannot predict what actions will be taken in the future by the State Legislature and the Governor to address the current State budget deficit, changing State revenues and expenditures or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. Certain actions could result in a significant shortfall of revenue and cash, and could impair the State's ability to fund schools. Continued State budget shortfalls in future fiscal years could have an adverse financial impact on the State General Fund budget.

The District anticipates that with the size of the deficit in the State budget, it will receive less revenue from the State in fiscal year 2009-10 and in response to the expected reductions has adopted a fiscal year 2009-10 budget that reduces expenditures to offset these revenue reductions.

BANK QUALIFIED OBLIGATIONS

The District has designated the Series B Bonds as "qualified tax exempt obligations," thereby allowing certain financial institutions that are holders of such qualified tax-exempt obligations to deduct a portion of such institution's interest expense allowable to such qualified tax-exempt obligations, all as determined in accordance with Section 265(b)(3) of the Code.

LEGAL MATTERS

Tax Matters

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original discount) on the Series B Bonds is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest (and original discount) on the Series B Bonds is exempt from State of California personal income tax. Bond Counsel notes that, with respect to corporations, interest (and original issue discount) on the Series B Bonds is not included as an adjustment in the calculation of alternative minimum taxable income.

The difference between the issue price of a Series B Bond (the first price at which a substantial amount of the Series B Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to the Series B Bond (to the extent the redemption price at maturity is bigger than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Series B Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Series B Bond Owner will increase the Series B Bond Owner's basis in the applicable Series B Bond. The amount of original issue discount that accrues to the Owner of a Series B Bond is excluded from gross income of such Owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State of California personal income tax.

Bond Counsel's opinion as to the exclusion from gross income for federal income tax purposes of interest on the Series B Bonds (and original issue discount) is based upon certain representations of fact and certifications made by the District and others and is subject to the condition that the District complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Series B Bonds to assure that interest (and original issue discount) on the Series B Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the Series B Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series B Bonds. The District has covenanted to comply with all such requirements.

The amount by which a Series B Bond Owner's original basis for determining loss on sale or exchange in the applicable Series B Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Series B Bond premium which must be amortized under Section 171 of the Code; such amortizable Series B Bond premium reduces the Series B Bond Owner's basis in the applicable Series B Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Series B Bond premium may result in a Series B Bond Owner realizing a taxable gain when a Series B Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Series B Bond to the Owner. Purchasers of the Series B Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Series B Bond premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Series B Bonds will be selected for audit by the IRS. It is also possible that the market value of the Series B Bonds might be affected as a result of such an audit of the Series B Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, that Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Series B Bonds to the extent that it adversely affects the exclusion from gross income of interest (and original issue discount) on the Series B Bonds or their market value.

It is possible that subsequent to the issuance of the Series B Bonds there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the Series B Bonds or the market value of the Series B Bonds. No assurance can be given that subsequent to the issuance of the Series B Bonds such changes or interpretations will not occur.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Series B Resolution and the Tax Certificate relating to the Series B Bonds permit certain actions to be taken or to be omitted if a favorable opinion of bond counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on exclusion from gross income for federal income tax purposes of interest (and original issue discount) on any Series B Bond as to which any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth, a Professional Corporation.

Although Bond Counsel has rendered opinions that interest (and original issue discount) on the Series B Bond is excluded from gross income for federal income tax purposes provided that the District continues to comply with certain requirements of the Code, the ownership of the Series B Bonds and the accrual or receipt of interest (and original issue discount) with respect to the Series B Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Series B Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Series B Bonds.

A copy of the proposed form of opinion of Bond Counsel with respect to the Series B Bonds is set forth in Appendix A hereto.

Legal Opinion

The legal opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, approving the validity of the Series B Bonds, substantially in the form set forth in Appendix A hereto, will be made available to purchasers at the time of original delivery of the Series B Bonds and a copy of the opinion will be delivered with each Series B Bond. Bond Counsel expresses no opinion as to the accuracy, completeness or fairness of this Official Statement or other offering materials relating to the Bonds and expressly disclaims any duty to advise the Owners of the Series B Bonds as to matters related to the Official Statement.

Legality for Investment in California

Under provisions of the California Financial Code, the Series B Bonds are legal investments for commercial banks in California to the extent that the Series B Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors, and under provisions of the California Government Code, are eligible for security for deposits of public moneys in the State.

No Litigation

No litigation is pending or threatened concerning the validity of the Series B Bonds, and a certificate to that effect will be furnished by the District at the time of the original delivery of the Series B Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District's ability to receive *ad valorem* taxes or to collect other revenues or contesting the District's ability to issue and retire the Series B Bonds.

CONTINUING DISCLOSURE

Pursuant to the Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"), a copy of which is attached hereto as Appendix C, the District will agree, upon the occurrence of any of the following "Listed Events," to report the occurrence of such event to the Municipal Securities Rulemaking Board following its determination that such event would constitute material information for the Owners of the Series B Bonds. Listed Events include: (1) principal and interest payment delinquencies; (2) non-payment related defaults; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or events affecting the tax-exempt status of the security; (7) modifications to rights of security holders; (8) bond calls (other than mandatory scheduled redemptions, not otherwise contingent upon the occurrence of an event, including but not limited to, sinking fund payments); (9) defeasances; (10) release, substitution or sale of property securing repayments of the securities; or (11) rating changes.

In addition, the District has agreed to provide certain annual financial and operating data to the Municipal Securities Rulemaking Board not later than the March 1 following the end of each fiscal year of the District.

The annual financial and operating data required by the Continuing Disclosure Certificate will be filed through the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board.

These covenants have been made in order to assist the Underwriter in complying with the Rule. The Owners of the Series B Bonds are third party beneficiaries of the Continuing Disclosure Certificate. In the event the District fails to comply with any provision in the Continuing Disclosure Certificate, the Dissemination Agent (as defined in the Continuing Disclosure Certificate) may (or shall upon direction of the

Owners of 25% in aggregate principal of the Series B Bonds then outstanding or the Underwriter) take all action necessary to cause the District to comply with the Continuing Disclosure Certificate. A default under the Continuing Disclosure Certificate shall not be an event of default under the Series B Resolution. In addition, no person or entity shall be entitled to recover any monetary damages under the Continuing Disclosure Certificate.

Within the past five years, the District has filed an annual report under each of its previous undertakings. Certain of these annual reports omitted a portion of the annual information that was to have been provided by the District. The District has made amended filings and is now current with the filings required under its previous undertakings under the Rule.

MISCELLANEOUS

Rating

Standard & Poor's Ratings Group ("S&P") and Moody's Investors Service, Inc. ("Moody's") have assigned the ratings of "___" and "___," respectively, to the Series B Bonds. Such ratings reflect only the views of such rating agencies and any desired explanation of the significance of such rating should be obtained from S&P and Moody's at the following addresses: Standard & Poor's Corporation, 55 Water Street, 45th Floor, New York, New York 10041 and Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the ratings for the Series B Bonds will continue for any given period of time or that any rating will not be revised downward or withdrawn entirely by a rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Series B Bonds.

Underwriting

The Series B Bonds are being purchased for reoffering by E. J. De La Rosa & Co., Inc. (the "Underwriter"). The Underwriter has agreed to purchase the Series B Bonds pursuant to a Contract of Purchase with the District (the "Contract of Purchase") at the initial purchase price of \$_____ (which represents the aggregate principal amount of the Series B Bonds, plus original issue premium of \$_____, less Underwriter's discount of \$_____ and less costs of issuance of \$_____). The Contract of Purchase provides that the Underwriter will purchase all of the Series B Bonds. The obligation to make such purchase is subject to certain terms and conditions set forth in the Contract of Purchase.

Audited Financial Statements

The District's audited financial statements for fiscal year 2008-09 included in this Official Statement have been audited by Vavrinek, Trine, Day & Co., LLP (the "Auditor"), independent auditors. Attention is called to the scope limitation described in the auditor's report accompanying the financial statements. The Auditor has not been requested to consent to the inclusion of its report in this Official Statement. The Auditor has not undertaken to update the audited financial statements for fiscal year 2008-09 or its report, and no opinion is expressed by the Auditor with respect to any event subsequent to its report dated December 15, 2009. See Appendix B—"DISTRICT'S 2008-09 AUDITED FINANCIAL STATEMENT" herein.

Financial Interests

The fees being paid to the Underwriter, Bond Counsel and the District's Financial Advisor are contingent upon the issuance and delivery of the Series B Bonds. From time to time, Bond Counsel represents the Underwriter on matters unrelated to the Series B Bonds.

ADDITIONAL INFORMATION

The purpose of this Official Statement is to supply information to purchasers of the Series B Bonds. Quotations from and summaries and explanations of the Series B Bond and of the statutes and documents contained herein do not purport to be complete, and reference is made to such documents and statutes for full and complete statements of their provisions.

E. J. De La Rosa & Co., Inc. is acting as the Underwriter of the Series B Bonds and has received a variety of District reports. These reports include audits and budgets. Any Series B Bond Owner may obtain copies of such reports, as available, from the District at 325 South Peck Avenue, Manhattan Beach, California 90266. The District may impose a charge for copying, mailing and handling.

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 to be construed as a contract or agreement between the District and the purchasers or Owners of any of the Series B Bonds.

The delivery of this Official Statement has been duly authorized by the District.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

By: _____
Assistant Superintendent of Administrative
Services

APPENDIX A

FORM OF OPINIONS OF BOND COUNSEL

On the date of issuance of the Series B Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, proposes to issue its approving opinions relating to the Series B Bonds in substantially the following form:

[Closing Date]

Honorable Members of the Board of Trustees
Manhattan Beach Unified School District
Manhattan Beach, California

Re: \$ _____ Manhattan Beach Unified School District (Los Angeles County, California)
Election of 2008 General Obligation Bonds, 2010 Series B

Dear Honorable Members of the Board of Trustees:

We have examined the Constitution and the laws of the State of California, a certified record of the proceedings of the County of Los Angeles (the "County") and the Manhattan Beach Unified School District (the "District") taken in connection with the authorization and issuance of the District's Election of 2008 General Obligation Bonds, 2010 Series B in the aggregate principal amount of \$ _____ (the "Series B Bonds") and such other information and documents as we consider necessary to render this opinion. In rendering this opinion, we have relied upon certain representations of fact and certifications made by the County, the District, the initial purchaser of the Series B Bonds and others. We have not undertaken to verify through independent investigation the accuracy of the representations and certifications relied upon by us.

The Series B Bonds have been issued by the District pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, a fifty-five percent vote of the qualified electors of the District voting at an election held on November 4, 2008 and pursuant to a resolution adopted by the Board of Trustees of the District on _____, 2010 (the "Resolution"). Capitalized terms not otherwise defined herein shall have the meaning set forth in the Resolution.

The Series B Bonds mature on the dates and in the amounts referenced in the Resolution. The Series B Bonds are dated the date of delivery and accrete interest from such date at the rates referenced in the Resolution, compounded semiannually on March 1 and September 1 of each year, commencing September 1, 2010, which accreted interest is payable only at maturity. The Series B Convertible Capital Appreciation Bonds are dated the date of delivery and accrete interest from such date, compounded semiannually on March 1 and September 1 of each year, commencing September 1, 2010, to the Conversion Date and thereafter bear interest payable semiannually on each March 1 and September 1 at the rate per annum referenced in the Resolution. The Series B Bonds are registered bonds in the form set forth in the Resolution.

Based upon our examination of the foregoing, and in reliance thereon and on all matters of fact as we deem relevant under the circumstances, and upon consideration of applicable laws, we are of the opinion that:

(1) The Series B Bonds have been duly and validly authorized and constitute legal, valid and binding obligations of the District enforceable in accordance with the terms of the Resolution, except as the same may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights, by equitable principles, by the exercise of judicial discretion in appropriate cases and by limitations on legal remedies against public agencies

in the State of California. The Series B Bonds are obligations of the District but are not a debt of the County, the State of California or any other political subdivision thereof within the meaning of any constitutional or statutory limitation, and neither the faith and credit nor the taxing power of the County, the State of California, or any such political subdivisions is pledged for the payment thereof.

(2) The Resolution has been duly adopted by the Board of Trustees of the District and constitutes a legal, valid and binding obligation of the District. The Resolution is enforceable in accordance with its terms except as the same may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights, by equitable principles, by the exercise of judicial discretion in appropriate cases and by limitations on legal remedies against public agencies in the State of California, provided, however, we express no opinion as to the enforceability of provisions of the Resolution as to indemnification, penalty, contribution, choice of law, choice of forum or waiver contained therein.

(3) The Series B Bonds are secured by the proceeds of *ad valorem* taxes levied upon taxable property in the District which the County has the power to levy and is obliged by statute to levy without limit as to rate or amount (except as to certain personal property which is taxable at limited rates) for payment of the Series B Bonds and the interest thereon.

(4) Under existing statutes, regulations, rulings and judicial decisions, interest on the Series B Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations.

(5) Interest (and original issue discount) on the Series B Bonds is exempt from State of California personal income tax.

(6) The difference between the issue price of a Series B Bond (the first price at which a substantial amount of the Series B Bonds of a maturity are to be sold to the public) and the stated redemption price at maturity with respect to such Series B Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Series B Bond owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Series B Bond owner will increase the Series B Bond owner's basis in the applicable Series B Bond. Original issue discount that accrues for the Series B Bond owner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals or corporations (as described in paragraph 4 above) and is exempt from State of California personal income tax.

(7) The amount by which a Series B Bond owner's original basis for determining loss on sale or exchange in the applicable Series B Bond (generally the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium which must be amortized under Section 171 of the Code; such amortizable bond premium reduces the bond owner's basis in the applicable Series B Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of bond premium may result in a Series B Bond owner realizing a taxable gain when a Series B Bond is sold by the owner for an amount equal to or less (under certain circumstances) than the original cost of the Series B Bond to the owner.

The opinions expressed in paragraphs (4) and (6) above as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Series B Bonds are subject to the condition that the District complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Series B Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Series B Bonds to be included in gross income for federal income tax purposes retroactive to

the date of issuance of the Series B Bonds. The District has covenanted to comply with all such requirements. Except as set forth in paragraphs (4), (5), (6) and (7) above, we express no opinion as to any tax consequences related to the Series B Bonds.

Certain agreements, requirements and procedures contained or referred to in the Resolution, the District Resolution and the Tax Certificate executed by the District with respect to the Series B Bonds may be changed and certain actions may be taken or omitted, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of counsel nationally recognized in the area of tax exempt obligations. We express no opinion as to the effect on exclusion from gross income for federal income tax purposes of the interest (and original issue discount) on any Series B Bonds if any such change occurs or action is taken or omitted upon advice or approval of bond counsel other than Stradling Yocca Carlson & Rauth, a Professional Corporation.

We are admitted to the practice of law only in the State of California and our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

The opinions expressed herein and the exclusion of interest on the Series B Bonds from gross income for federal income tax purposes may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement as Bond Counsel terminates upon the issuance of the Series B Bonds.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement relating to the Series B Bonds or other offering material relating to the Series B Bonds and expressly disclaim any duty to advise the owners of the Series B Bonds with respect to matters contained in the Official Statement.

Respectfully submitted,

APPENDIX B
DISTRICT'S 2008-09 AUDITED FINANCIAL STATEMENT

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE (the "Disclosure Certificate") dated as of July 1, 2010 is executed and delivered by the Manhattan Beach Unified School District (the "Issuer") in connection with the issuance and delivery of \$ _____ Manhattan Beach Unified School District (Los Angeles County, California) Election of 2009 General Obligation Bonds, 2010 Series B (the "Series B Bonds"). The Series B Bonds are being issued pursuant to a resolution adopted by the Board of Trustees of the Issuer on _____, 2010 (the "Resolution").

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Owners of the Series B Bonds and in order to assist the Participating Underwriter in complying with the Rule.

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, 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 Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Disclosure Representative" shall mean the Superintendent and Chief Business Official of the Issuer or either of their designees, or such other officer or employee as the Issuer shall designate in writing from time to time.

"Dissemination Agent" shall mean, initially, U.S. Bank National Association, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designed in writing by the Issuer and which has been filed with the then current Dissemination Agent a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access system of the MSRB.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board and any successor entity designated under the Rule as the repository for filings made pursuant to the Rule.

"Participating Underwriter" shall mean E. J. De La Rosa & Co., Inc. as the original underwriter of the Series B 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.

"Tax-exempt" shall mean that interest on the Series B Bonds is excluded from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preferences or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax or environmental tax.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent upon written direction to, not later than the March 1 following the end of the Issuer's fiscal year, commencing with the report for the fiscal year

ending June 30, 2010, provide to the MSRB the first Annual Report due by March 1, 2011 and to the MSRB each Annual Report due thereafter, which Annual Report shall be consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from and later than the balance of the Annual Report if they are not available by the date required above for the filing of the Annual Report.

The Annual Report shall be provided at least annually notwithstanding any fiscal year longer than 12 calendar months. The Issuer's fiscal year is currently effective from July 1 to the immediately succeeding June 30 of the following year. The Issuer will promptly notify the MSRB and the Dissemination Agent of a change in the fiscal year dates. The Issuer shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the Issuer and shall have no duty or obligation to review such Annual Report.

(b) Not later than fifteen (15) days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Issuer shall provide the Annual Report to the Dissemination Agent. If by fifteen (15) days prior to such date the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Issuer to determine if the Issuer is in compliance with subsection (a).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) confirm the electronic filing requirements of the MSRB for the Annual Reports; and

(ii) promptly after receipt of the Annual Report, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and stating the date it was provided to the MSRB. The Dissemination Agent's duties under this clause (ii) shall exist only if the Issuer provides the Annual Report to the Dissemination Agent for filing.

(e) Notwithstanding any other provision of this Disclosure Certificate, all filings shall be made in accordance with the MSRB's EMMA system or in another manner approved under the Rule.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

(a) (i) The audited financial statements of the Issuer for the most recent fiscal year of the Issuer then ended; (ii) the most recently adopted budget of the Issuer and, if required to be prepared and filed, the First Interim Report for the current fiscal year; and (iii) an update of the information contained in Tables 1 through 3 and 7 contained under the headings "TAX BASE FOR REPAYMENT OF THE SERIES B BONDS" and "THE DISTRICT" in the Official Statement for the Series A Bonds. If the audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain any unaudited financial statements of the Issuer in a format similar to the financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. Audited financial statements, if any, of the Issuer shall be audited by such auditor as shall then be required or permitted by State law. Audited financial statements shall be prepared in accordance with generally accepted accounting principles as prescribed for governmental units by the Governmental Accounting Standards Board; provided, however, that the Issuer may from time to time, if required by federal or state legal requirements, modify the basis upon which its financial statements are prepared. In the event that

the Issuer shall modify the basis upon which its financial statements are prepared, the Issuer shall provide a notice of such modification to the MSRB, including a reference to the specific federal or state law or regulation specifically describing the legal requirements for the change in accounting basis.

(b) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series B Bonds, if material:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on any reserve fund reflecting financial difficulties;
- (4) unscheduled draws on any credit enhancements securing the Series B Bonds reflecting financial difficulties;
- (5) any change in the provider of any letter of credit or any municipal bond insurance policy securing the Series B Bonds, or any failure by the providers of such letters of credit or municipal bond insurance policies to perform on the letter of credit or municipal bond insurance policy;
- (6) adverse tax opinions or events adversely affecting the tax-exempt status of the Series B Bonds;
- (7) amendment to the Resolution or this Disclosure Certificate modifying the rights of Series B Bondowners;
- (8) unscheduled redemption of any Series B Bond;
- (9) defeasances;
- (10) any release, substitution, or sale of property securing repayment of the Series B Bonds; and
- (11) rating changes.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Issuer has determined that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Issuer shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (e).

(d) If in response to an event described in subsection (b) the Issuer determines that the Listed Event would not be material under applicable federal securities laws, the Issuer shall so notify the

Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (e).

(e) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Owners of affected Series B Bonds pursuant to the Resolution. In each case of the Listed Event, the Dissemination Agent shall not be obligated to file a notice as required in this subsection (f) prior to the occurrence of such Listed Event.

(f) The Issuer hereby agrees that the undertaking set forth in this Disclosure Certificate is the responsibility of the Issuer and that the Dissemination Agent shall not be responsible for determining whether the Issuer's instructions to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

(g) Any of the filings required to be made under this Section 5 shall be made in accordance with the MSRB's EMMA system or in another manner approved under the Rule.

SECTION 6. Termination of Reporting Obligation. The obligation of the Issuer and the Dissemination Agent under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of Series B Bonds. If such termination occurs prior to the final maturity of the Series B Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5.

SECTION 7. Dissemination Agent. The Dissemination Agent may resign by providing thirty days written notice to the Issuer and the Paying Agent. The Dissemination Agent shall not be responsible for the content of any report or notice prepared by the Issuer. The Dissemination Agent shall have no duty to prepare any information report nor shall the Dissemination Agent be responsible for filing any report not provided to it by the Issuer in a timely manner and in a form suitable for filing.

SECTION 8. Amendment. (a) This Disclosure Certificate may be amended, in writing, without the consent of the Owners, if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the Issuer or the type of business conducted thereby, (2) this Disclosure Certificate as so amended would have complied with the requirements of the Rule as of the date of this Disclosure Certificate, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) there shall have been delivered to the Issuer an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the Issuer, to the same effect as set forth in clause (2) above, (4) the Issuer shall have delivered to the Dissemination Agent an opinion of nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the Issuer, to the effect that the amendment does not materially impair the interests of the Owners, and (5) the Issuer shall have delivered copies of such opinion and amendment delivered to the MSRB.

(b) This Disclosure Certificate may be amended in writing, upon obtaining consent of Owners at least 25% of the outstanding Series B Bonds; provided that the conditions set forth in Section 8(a)(1), (2) and (3) have been satisfied; and provided, further, that the Dissemination Agent shall be obligated to enter into any such amendment that modifies or increases its duties or obligations hereunder.

(c) To the extent any amendment to this Disclosure Certificate results in a change in the type of financial information or operating data provided pursuant to this Disclosure Certificate, the first Annual Report provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change.

(d) If an amendment is made to the basis on which financial statements are prepared, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a quantitative and, to the extent reasonably feasible, qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer 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 Issuer 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 Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that under some circumstances compliance with this Disclosure Certificate, without additional disclosures or other action, may not fully discharge all duties and obligations of the Issuer under such laws.

SECTION 10. Default. In the event the Issuer fails to comply with any provision in this Disclosure Certificate, the Dissemination Agent may (or shall upon direction of the Owners of 25% in aggregate principal amount of a series of the Series B Bonds then outstanding or the Underwriter) take all action necessary to cause the Issuer to comply with this Disclosure Certificate. In the event of a failure of the Dissemination Agent to comply with any provision of this Disclosure Certificate, any Owner of the Series B Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall be paid compensation by the Issuer for its services provided hereunder in accordance with its schedule of fees as amended from time to time and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Bond Owner's, or any other party. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series B Bonds. No person shall have any right to commence any action against the Dissemination Agent hereunder, seeking any remedy other than to compel specific performance of this Disclosure Certificate. The Dissemination Agent shall not be liable under any circumstances for monetary damages to any person for any breach under this Disclosure Certificate.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Paying Agent, the Dissemination Agent, the Participating Underwriter and Owners from time to time of the Series B Bonds, and shall create no rights in any other person or entity.

SECTION 13. Notices. Notices should be sent in writing to the following addresses. The following information may be conclusively relied upon until changed in writing.

District Representative: Superintendent
Manhattan Beach Unified School District
325 South Peck Avenue
Manhattan Beach, California 90266

Dissemination Agent: U.S. Bank National Association
633 W. Fifth Street, 24th Floor
Los Angeles, CA 90071

SECTION 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

By: _____
Its: Assistant Superintendent of Administrative Services

U.S. BANK NATIONAL ASSOCIATION

By: _____
Its: Authorized Representative

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Manhattan Beach Unified School District

Name of Bond Issue: \$ _____ Manhattan Beach Unified School District (Los Angeles County, California) Election of 2008 General Obligation Bonds, 2010 Series B

Date of Issuance: July __, 2010

NOTICE IS HEREBY GIVEN that the Manhattan Beach Unified School District (the "District") has not provided an Annual Report with respect to the above-named Series B Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated as of July 1, 2010. [The District anticipates that the Annual Report will be filed by _____.]

Dated: _____, 20__

U.S. BANK NATIONAL ASSOCIATION

APPENDIX D

GENERAL INFORMATION CONCERNING THE CITY MANHATTAN BEACH

The following information concerning the City of Manhattan Beach (the "City"), the County of Los Angeles (the "County") and the State of California (the "State") are presented as general background information. The Series B Bonds are not an obligation of the City, the County or the State and the taxing the power of the City, the County and the State are not pledged to the payment of the Series B Bonds.

The District has not independently verified the information set forth in this Appendix E and while this information is believed to be reliable, it is not guaranteed as to accuracy by the District.

General – Manhattan Beach

Population

The following table offers population figures for the City, the County and the State for January 1, 2006 through January 1, 2010.

<i>Area</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2005</i>
Manhattan Beach	36,364	36,240	36,258	36,583	36,773
Los Angeles County	10,202,094	10,231,000	10,285,296	10,355,053	10,441,080
State of California	37,087,005	37,463,609	37,871,509	38,255,508	38,648,090

Source: *State of California, Department of Finance, E-4 Population Estimates for Cities, Counties and the State, 2001-2010, with 2000 Benchmark, Sacramento, California, May 2010.*

Construction Activity

The following table shows building permit valuations and new housing units in the City for 2005 through 2009.

CITY OF MANHATTAN BEACH Building Permit Valuation and New Housing Units (Dollar Volume in \$1,000's)

	2005	2006	2007	2008	2009
<u>Residential</u>					
Single Family	57,788,698	64,116,968	54,660,168	31,450,977	12,627,719
Multi-Family	821,383	--	--	497,426	763,424
Alteration/Additions	<u>11,296,950</u>	<u>8,503,420</u>	<u>9,657,565</u>	<u>7,938,552</u>	<u>9,023,791</u>
Total	<u>69,907,031</u>	<u>72,620,388</u>	<u>64,317,733</u>	<u>39,886,955</u>	<u>22,414,934</u>
<u>Non-Residential</u>					
New Commercial	--	--	2,735,321	0	3,250,528
New Industry	--	--	--	0	0
Other ⁽¹⁾	1,503,203	1,302,615	1,052,931	2,432,895	1,477,258
Alteration/Additions	<u>8,335,140</u>	<u>5,742,038</u>	<u>5,664,701</u>	<u>9,229,384</u>	<u>7,858,735</u>
Total	<u>9,838,343</u>	<u>7,044,653</u>	<u>9,452,953</u>	<u>11,662,279</u>	<u>12,586,521</u>
Total All Industry ⁽²⁾	<u>79,745,374</u>	<u>79,665,041</u>	<u>73,770,686</u>	<u>51,549,234</u>	<u>35,001,455</u>
<u>New Housing Units</u>					
Single Family Units	169	176	146	80	29
Multi-Family Units	<u>4</u>	<u>--</u>	<u>--</u>	<u>2</u>	<u>2</u>
Total	<u>173</u>	<u>176</u>	<u>146</u>	<u>82</u>	<u>31</u>

⁽¹⁾ Includes churches and religious building, hospitals and institutional buildings, schools and educational buildings, residential garages, public works and utilities buildings and non-residential alterations and additions.

⁽²⁾ May not add up due to rounding.

Source: Construction Industry Research Board.

Employment

The following table sets forth the major employers located in the City as of November 2009.

CITY OF MANHATTAN BEACH MAJOR EMPLOYERS (November 2009)

<i>Name</i>	<i>Type</i>	<i>Employees</i>
Skechers USA Inc.	Shoes – Manufacturer	715
Manhattan Beach Unified School District	Government – Schools	704
Kinecta Federal Credit Union	Credit Union	550
City of Manhattan Beach	Government	428
Target	Department Store	380
Tsdesignstudio	Computer Graphic Design	310
Macy's	Department Store	250
Houston's Restaurant	Restaurant	200
Marriott – Manhattan Beach	Restaurant	200
Ralphs	Grocery Store	175

Sources: InfoUSA, City of Manhattan Beach, Manhattan Beach Unified School District

Employment and Industry

Employment data by industry is not separately reported on an annual basis for the City but is compiled for the Los Angeles-Long Beach-Glendale Metropolitan Division.

The following table represents the Annual Average Labor Force and Industry Employment for the area for the period from 2005 through 2009 and do not reflect specific employment levels or trends in the City.

Los Angeles-Long Beach-Glendale Metropolitan Division Industry Employment & Labor Force - by Annual Average March 2008 Benchmark

	2005	2006	2007	2008	2009
Total Farm	7,400	7,600	7,500	6,900	6,200
Total Nonfarm	4,024,200	4,092,500	4,122,100	4,070,700	3,829,400
Total Private	3,440,500	3,503,100	3,526,400	3,467,000	3,229,900
Goods Producing	624,100	623,200	611,200	584,000	509,700
Natural Resources and Mining	3,700	4,000	4,400	4,400	4,100
Construction	148,700	157,500	157,600	145,200	116,500
Manufacturing	471,700	461,700	449,200	434,500	389,200
Durable Goods	263,400	257,300	250,900	243,200	217,100
Nondurable Goods	208,300	204,400	198,300	191,200	172,000
Service Providing	3,400,100	3,469,300	3,510,900	3,486,700	3,319,700
Private Service Producing	2,816,400	2,879,800	2,915,200	2,883,000	2,720,200
Trade, Transportation and Utilities	795,400	814,100	818,500	803,300	742,500
Wholesale Trade	219,300	225,700	227,000	223,700	204,100
Retail Trade	414,400	423,300	426,000	416,500	386,600
Transportation, Warehousing and Utilities	161,700	165,200	165,600	163,100	151,700
Information	207,600	205,600	209,800	210,300	193,700
Financial Activities	244,000	248,800	246,000	235,700	220,200
Professional and Business Services	576,100	598,900	605,400	582,600	528,100
Educational and Health Services	471,300	478,700	490,500	503,400	513,900
Leisure and Hospitality	377,800	388,600	397,900	401,600	383,900
Other Services	144,300	145,200	147,100	146,100	137,900
Government	583,700	589,400	595,700	603,700	599,500
Total, All Industries	<u>4,031,600</u>	<u>4,100,100</u>	<u>4,129,600</u>	<u>4,077,600</u>	<u>3,835,600</u>

Source: State of California Employment Development Department.

The following table summarizes the labor force, employment and unemployment figures for the years 2005 through 2009 for the County, the State and the nation as a whole.

**LOS ANGELES COUNTY,
STATE OF CALIFORNIA AND UNITED STATES
Average Annual Civilian Labor Force, Employment and Unemployment**

<i>Year and Area</i>	<i>Labor Force</i>	<i>Employment⁽¹⁾</i>	<i>Unemployment⁽²⁾</i>	<i>Unemployment Rate (%)⁽³⁾</i>
2005				
Los Angeles County	4,771,400	4,516,000	255,400	5.4%
California	17,544,800	16,592,200	952,600	5.4
United States ⁽⁴⁾	149,320,000	141,730,000	7,591,000	5.1
2006				
Los Angeles County	4,797,400	4,568,200	229,300	4.8%
California	17,718,500	16,851,600	866,900	4.9
United States ⁽⁴⁾	152,571,000	146,081,000	6,491,000	4.3
2007				
Los Angeles County	4,863,800	4,617,100	246,700	5.1%
California	17,970,800	17,011,000	959,800	5.3
United States ⁽⁴⁾	153,124,000	146,047,000	7,078,000	4.6
2008				
Los Angeles County	4,924,500	4,557,300	367,200	7.5%
California	18,251,600	16,938,300	1,313,200	7.2
United States ⁽⁴⁾	154,287,000	145,362,000	8,924,000	5.8
2009				
Los Angeles County	4,896,100	4,328,600	567,500	11.6%
California	18,250,200	16,163,900	2,086,200	11.4
United States ⁽⁴⁾	154,142,000	139,877,000	14,265,000	9.3

⁽¹⁾ Includes persons involved in labor-management trade disputes.

⁽²⁾ Includes all persons without jobs who are actively seeking work.

⁽³⁾ The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.

⁽⁴⁾ Not strictly comparable with data for prior years.

Source: California Employment Development Department.

Property Values and Property Taxes

The following table summarizes the assessed value of the City for fiscal years 2005-06 through 2009-10.

CITY OF MANHATTAN BEACH Assessed Valuations For Fiscal Years 2005-06 Through 2009-10

	<i>Secured</i>	<i>Utility</i>	<i>Unsecured</i>	<i>Total</i>
2005-06	\$ 8,803,421,073	\$ 1,156	\$277,466,853	\$ 9,080,889,082
2006-07	9,657,547,961	1,084	267,915,789	9,925,464,834
2007-08	10,588,433,491	0	272,917,262	10,861,350,753
2008-09	11,429,327,724	0	268,571,876	11,697,899,600
2009-10	11,603,476,970	0	268,200,141	11,871,677,111

Source: California Municipal Statistics, Inc.

Retail Sales

The table below presents the City's retail sales for the years 2004 through 2008.

CITY OF MANHATTAN BEACH Taxable Transactions For Years 2004 through 2008 (in Thousands)

	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>
Apparel stores	64,613	65,315	68,037	66,869	61,052
General merchandise stores	123,766	125,497	131,014	131,623	124,436
Food stores	32,798	33,892	37,068	36,103	37,413
Eating and drinking places	117,340	124,859	134,038	136,804	138,442
Home furnishings and appliances	15,784	17,077	19,643	19,704	48,394
Building materials and farm implements	(1)	(1)	(1)	(1)	(1)
Automobile dealers and auto supplies	55,070	60,765	(1)	(1)	(1)
Service stations	29,263	33,993	34,562	33,605	37,510
Other retail stores	<u>84,408⁽¹⁾</u>	<u>90,327⁽¹⁾</u>	<u>151,393⁽¹⁾</u>	<u>154,384⁽¹⁾</u>	<u>147,591</u>
Total Retail Outlets	523,042	551,725	575,755	579,092	594,838
All Other Outlets	<u>160,069</u>	<u>159,326</u>	<u>156,650</u>	<u>160,297</u>	<u>124,920</u>
Total All Outlets	<u>683,111</u>	<u>711,051</u>	<u>732,405</u>	<u>739,389</u>	<u>719,758</u>

⁽¹⁾ Sales omitted because their publication would result in the disclosure of confidential information.

Source: California State Board of Equalization.

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, premium, if any, accreted value and interest on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (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 maturity of the Securities in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any issue 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 issue.

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 Standard & Poor's highest rating: AAA. 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 and www.dtc.org.

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. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity 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 the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Principal, redemption price and interest 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 the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption price and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. If applicable, a Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to tender/remarketing agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to tender/remarketing agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to tender/remarketing agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

APPENDIX F
ACCRETED VALUES TABLE

CONTRACT OF PURCHASE

§ _____
MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
(LOS ANGELES COUNTY, CALIFORNIA)
ELECTION OF 2008 GENERAL OBLIGATION BONDS, 2010 SERIES B

CONTRACT OF PURCHASE

_____, 2010

Manhattan Beach Unified School District
325 South Peck Avenue
Manhattan Beach, CA 90266

Ladies and Gentlemen:

The undersigned, E. J. De La Rosa & Co., Inc., as underwriter (the "Underwriter") offers to enter into this Contract of Purchase (the "Contract of Purchase") with Manhattan Beach Unified School District (the "District"), which, upon your acceptance hereof, will be binding upon the District and the Underwriter. This offer is made subject to the written acceptance of this Contract of Purchase by the District and delivery of such acceptance to the Underwriter at its office specified in Section 13 below prior to 11:59 p.m., California Time, on the date hereof.

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 Underwriter hereby agrees to purchase from the District for reoffering to the public, and the District hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of the District's Election of 2008 General Obligation Bonds, 2010 Series B (the "Bonds"), which consist of \$_____ of Series B Capital Appreciation Bonds and \$_____ of Series B Convertible Bonds as specified in Exhibit A hereto. The Bonds shall accrete interest at the rates, and shall mature in the principal amounts and in the years shown on Appendix A hereto, which is incorporated herein by this reference. The Bonds are dated the date of delivery and accrete interest from such date, compounded semiannually on March 1 and September 1 of each year, commencing September 1, 2010, which accreted interest is payable only at maturity. A table of accreted values is included in the Official Statement (defined herein).

2. The Bonds. The Bonds shall be dated their date of delivery and are subject to redemption as set forth in Appendix A hereto. In all other respects the Bonds shall be as described in, and shall be issued and secured pursuant to the provisions of the Resolution of the District adopted on _____, 2010 (the "District Resolution"), and Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code commencing with Section 53506. All capitalized terms used herein without definition shall have the meanings given to them in the District Resolution.

The Bonds shall be executed and delivered under and in accordance with the provisions of this Contract of Purchase 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”); the Bonds shall initially be in authorized denominations of \$5,000 principal amount or any integral multiple thereof.

3. Use of Documents. The District hereby authorizes the Underwriter to use, in connection with the offer and sale of the Bonds, this Contract of Purchase and an 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 Underwriter in connection with the transactions contemplated by this Contract of Purchase.

4. Public Offering of the Bonds. The Underwriter agrees to make a bona fide public offering of all the Bonds at the initial public offering price or yield set forth in Appendix A and to be set forth on the cover page of the Official Statement. Subsequent to such initial public offering, the Underwriter reserves the right to change such initial public offering price or yield as it deems necessary in connection with the marketing of the Bonds.

5. Review of Official Statement. The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds, dated _____, 2010 (the “Preliminary Official Statement”). The District represents that it has deemed the Preliminary Official Statement to be final, except for either revisions or additions relating to the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount 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 (the “Rule”).

The Underwriter agrees that prior to the time the final Official Statement relating to the Bonds is available, the Underwriter 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 provided electronically or 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 Underwriter agrees that it will deliver a printed copy of the final Official Statement to each purchaser of the Bonds as required by the Rule. The Underwriter agrees that in accordance with Rule G-32 of the Municipal Securities Rulemaking Board, within one business day after receipt from the District but by no later than the Closing (as defined below), it will file a copy of the Official Statement with the Municipal Securities Rulemaking Board.

6. Closing. At 8:00 a.m., California Time, on _____, 2010, or at such other time or on such other date as shall have been mutually agreed upon by the Underwriter and the District (the “Closing”), the District shall cause to be delivered to the Underwriter, through the facilities of The Depository Trust Company (“DTC”) in New York, New York, or at such other place as the parties hereto 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 Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, in Newport Beach, California, the other documents hereinafter mentioned; and the Underwriter will

accept such delivery and pay the net purchase price thereof, of \$ _____ (being equal to the aggregate initial amount of the Bonds, [plus original issue premium of \$ _____], less an Underwriter's discount of \$ _____ and less the costs of issuance of \$ _____ to be paid by the Underwriter, at the request of the District, from the original issue premium) in immediately available funds by check 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 Underwriter that:

(a) Due Organization. The District is a public instrumentality duly organized and validly existing under the laws of the State of California, with the power to cause the Bonds to be issued 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 deliver the Preliminary Official Statement, to execute and deliver the Official Statement, to enter into this Contract of Purchase and the Continuing Disclosure Certificate, to adopt the District Resolution, to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Contract of Purchase, the Continuing Disclosure Certificate and the District Resolution; (iii) the District Resolution was duly adopted at a meeting of the governing body of the District which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting at the time of adoption; (iv) the delivery of the Preliminary Official Statement, the execution and delivery of the Official Statement, and the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds, the District Resolution, the Continuing Disclosure Certificate and this Contract of Purchase have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (v) this Contract of Purchase and the Continuing Disclosure Certificate constitute valid and legally binding obligations of the District; (vi) the District has duly authorized the consummation by it of all transactions contemplated by this Contract of Purchase and the Continuing Disclosure Certificate; and (vii) no statutory or constitutional limitation on indebtedness or taxation will be exceeded in issuing the Bonds.

(c) Consents. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any 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 Contract of Purchase and the Continuing Disclosure Certificate, the adoption of the District Resolution or the consummation of the other transactions effected or contemplated herein or hereby, 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 Underwriter 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) No Conflicts. To the best knowledge of the District, the issuance of the Bonds, and the execution, delivery and performance of this Contract of Purchase, the Continuing Disclosure Certificate, the District Resolution and the Bonds, and the compliance with the

provisions hereof 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.

(e) Litigation. Except as described in the Preliminary Official Statement, as of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending in which service of process has been completed against the District, or to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or of the titles of the officials of the District to such 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, or the collection of the tax revenues pledged or to be pledged or available to pay the principal of and interest on the Bonds, or the pledge 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 Contract of Purchase, the Continuing Disclosure Certificate or the District Resolution or contesting the powers of the District under the District Resolution or this Contract of Purchase; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Contract of Purchase or the District Resolution, (b) declare this Contract of Purchase, the District Resolution or the Continuing Disclosure Certificate to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of such interest from California personal income taxation.

(f) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Underwriter, neither the District directly, nor the County of Los Angeles (the "County") on behalf of the District at the District's request, 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.

(g) Compliance with Internal Revenue Code. The District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the District is a bond issuer whose arbitrage certificates may not be relied upon, and the District will comply with the applicable provisions of the Internal Revenue Code of 1986, as amended, with respect to the Bonds.

(h) Certificates. Any certificates signed by any officer of the District and delivered to the Underwriter shall be deemed a representation and warranty by the District to the Underwriter, but not by the person signing the same, as to the statements made therein.

(i) Continuing Disclosure. At or prior to the Closing, the District shall have duly authorized, executed and delivered the Continuing Disclosure Certificate. The Continuing Disclosure Certificate shall comply with the provisions of Rule 15c2-12(b)(5) and be substantially in the form attached to the Official Statement in Appendix D. Except as disclosed

in the Preliminary Official Statement, within the past five years, the District has never failed to comply in all material respects with any of its previous undertakings under the Rule.

(j) Official Statement. As of its date, the Preliminary Official Statement 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, the Final Official Statement did not, and as of the Closing Date it 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; provided that the District makes no representation or warranty as to the information contained in or omitted from the Preliminary Official Statement or the Final Official Statement in reliance upon and in conformity with information furnished in writing to the District by or on behalf of the Underwriter through a representative of the Underwriter specifically for inclusion therein or as to the information therein relating to DTC and its book-entry system or as to CUSIP numbers.

(k) 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 Auditor and the County Treasurer-Tax Collector a copy of the District Resolution, a copy of Appendix 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.

(l) Financial Information. The financial statements of, and other financial information regarding the District contained in the Official Statement fairly present the financial position of the District as of the dates and for the periods therein set forth, (i) the audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied, (ii) the unaudited financial statements (if any) have been prepared on a basis substantially consistent with the audited financial statements included in the Official Statement and reflect all adjustments necessary to that affect, and (iii) the other financial information has been determined on a basis substantially consistent with that of the District's audited financial statements included in the Official Statement.

8. **[Reserved]**.

9. **Covenants of the District**. The District covenants and agrees with the Underwriter that:

(a) Securities Laws. The District will furnish such information, execute such instruments, and take such other action in cooperation with, and at the expense of, the Underwriter if and as the Underwriter 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;

(c) Official Statement. The District will deliver or cause to be delivered to the Underwriter, not later than the seventh (7th) business day following the date this Contract of Purchase is signed, 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 Underwriter and the District (such Official Statement with such changes, if any, and including the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto being called the "Official Statement") in such reasonable quantities as may be requested by the Underwriter not later than five (5) business days following the date this Contract of Purchase is signed, in order to permit the Underwriter to comply with paragraph (b)(4) of the Rule and with the rules of the Municipal Securities Rulemaking Board. The District hereby authorizes the Underwriter 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 Underwriter 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;

(e) Amendments to Official Statement. For a period of twenty-five (25) days after the End of the Underwriting Period (as defined below), the District will amend or supplement the Official Statement in any manner necessary to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser, and (at the expense of the District) shall deliver a reasonable number of copies of an amendment or supplement to the Official Statement (in form and substance reasonably satisfactory to the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading. As used herein, the term "End of the Underwriting Period" means the later of such time as (i) the Bonds are delivered to the Underwriter, or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the End of the Underwriting Period shall be deemed to be the date of the Closing. Any notice delivered pursuant to this provision shall be written notice delivered to the District at or prior to the Closing, and shall specify a date (other than the date of Closing and not more than 90 days after the Closing) to be deemed the "End of the Underwriting Period."

10. Conditions to Closing. The Underwriter has entered into this Contract of Purchase 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 Underwriter's obligations under this Contract of Purchase are and shall be subject at the option of the Underwriter, 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 the agreements made by it in this Contract of Purchase;

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, this Contract of Purchase 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 Underwriter; (ii) all actions under the Act which, in the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, bond counsel ("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 its obligations required under or specified in the District Resolution, this Purchase Agreement, the Continuing Disclosure Certificate and 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 Contract of Purchase (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District, be threatened which has any of the effects described in Section 7(e) 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 Underwriter to enforce contracts for the sale of the Bonds, at the initial offering prices set forth in the Official Statement, shall not have been materially adversely affected in the reasonable judgment of the Underwriter (evidenced by a written notice to the District terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds) by reason of any of the following:

(1) 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:

(i) 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 Bonds; or

(ii) 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;

(2) the declaration of war or engagement in major military hostilities by the United States or the occurrence of any other national emergency or calamity relating to the effective operation of the government or the financial community in the United States;

(3) 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;

(4) 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, the Underwriter;

(5) 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 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;

(6) the withdrawal or downgrading of any rating of the District's outstanding indebtedness by a national rating agency; or

(7) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material adverse 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 required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, or which, in the Underwriter's judgment, requires or has required an amendment of or supplement to the Official Statement.

(e) Delivery of Documents. At or prior to the date of the Closing, the Underwriter shall receive a copy of the following documents in each case dated as of the Closing Date and satisfactory in form and substance to the Underwriter:

(1) Bond Opinion. An approving opinion of Bond Counsel, as to the validity and tax-exempt status of the Bonds, dated the date of the Closing, addressed to the District substantially in the form attached as Appendix A to the Preliminary Official Statement;

(2) Reliance Letter. A reliance letter from Bond Counsel to the effect that the Underwriter can rely upon the approving opinion described in (e)(1) above;

(3) Supplemental Opinion of Bond Counsel. A supplemental opinion of Bond Counsel in form and substance satisfactory to the Underwriter, dated the Closing Date and addressed to the Underwriter, to the effect that:

(i) the description of the Bonds and the security for the Bonds and statements in the Official Statement under the captions “INTRODUCTION,” “THE SERIES B BONDS,” and “LEGAL MATTERS — Tax Exemption,” to the extent they purport to summarize certain provisions of the District Resolution, the Continuing Disclosure Certificate, the opinion described in (e)(1) 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 or information concerning the Depository Trust Company or related to its book-entry only system;

(ii) assuming due authorization, execution and delivery by all the parties thereto, the Continuing Disclosure Certificate and this Contract of Purchase have each been duly authorized, executed and delivered by the District and constitute legal, valid and binding agreements of the District and are enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors’ rights and except as their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought; and

(iii) the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the District Resolution is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

(4) Disclosure Counsel Opinion. An opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Disclosure Counsel, addressed to the Underwriter to the effect that, without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, but on the basis of their participation in conferences with representatives of the District and others, and their examination of certain documents, nothing has come to their attention which has led them to believe that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that no opinion or belief need be expressed as to any financial or statistical data, assessed valuations, any forecasts, any assumptions or any expressions of opinion contained in the Official Statement, or as to any information related to the Depository Trust Company);

(5) Certificate of the District. A certificate signed by an appropriate official of the District to the effect that (i) such official is authorized to execute this Contract of Purchase; (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing; (iii) the District has complied with all the terms of the District Resolution, the Continuing Disclosure Certificate and this Contract of Purchase to be complied with by the District prior to or concurrently with the Closing and such documents are in full force and effect; (iv) such District official has reviewed the Official Statement and on such basis certifies that the Official Statement (other than the information therein as to DTC and its book-entry only system and CUSIPs, as to which no view is expressed) does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; (v) the Bonds being delivered on the date of the Closing

to the Underwriter under this Contract of Purchase substantially conform to the descriptions thereof contained in the District Resolution; and (vi) no consent is required for inclusion of the District's Fiscal Year 2008-09 audit in the Preliminary Official Statement and the Official Statement;

(6) Arbitrage. A nonarbitrage certificate of the District in form satisfactory to Bond Counsel;

(7) District Resolution. A certificate, together with a fully executed copy of the District Resolution, of the Clerk of the Board of Trustees to the effect that:

(i) such copy is a true and correct copy of the District Resolution; and

(ii) 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.

(8) County Resolution. An originally executed copy of the adopted County Resolution authorizing the levy of *ad valorem* taxes with respect to the Bonds (the "County Resolution") or a certificate, together with a fully executed copy of the County Resolution, of the Clerk of the Board of Supervisors to the effect that:

(i) such copies are true correct copies of the County Resolution; and

(ii) the County 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;

(9) Official Statement. A certificate of the appropriate official of the District evidencing his or her determinations respecting the Preliminary Official Statement in accordance with the Rule; and

(10) Rating. Evidence as of the Closing Date satisfactory to the Underwriter that the Bonds have received, at a minimum, a rating of "___" from Moody's Investors Service ("Moody's") and a rating of "___" from Standard & Poor's Ratings Services ("S&P"), provided that, upon delivery of the Bonds, such ratings have not been revoked or downgraded;

(11) Form 8038-G. Evidence that the federal tax information Form 8038-G has been prepared for filing;

(12) Notice of Final Sale. A copy of the Notice of Final Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 8855 of the California Government Code;

(13) Other Documents. A duly executed copy of the Continuing Disclosure Certificate and such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence compliance (i) by the District with legal requirements; (ii) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained; (iii) the truth and accuracy, as of the time of Closing, of the Official Statement; and (iv) 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. If the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Contract of Purchase prior to the close of business on the date of Closing and if such unsatisfied conditions have not been waived by the Underwriter, or if the Underwriter's obligations shall be terminated for any reason permitted by this Contract of Purchase, this Contract of Purchase shall terminate and be of no further force or effect except with respect to the obligations of the District and the Underwriter under Section 12 hereof.

11. Conditions to Obligations of the District. The performance by the District of its obligations hereunder is conditioned upon (i) the performance by the Underwriter of its obligations hereunder; and (ii) receipt by the District and the Underwriter of opinions and certificates being delivered at the Closing by persons and entities other than the District.

12. Expenses. The Underwriter, at the request of the District, shall apply up to \$_____ of net original issue premium on the Bonds to pay the expenses listed in the following paragraph and all amounts not expended for such purpose shall be paid to the District to be held in the Debt Service Fund. The Underwriter shall pay from its own funds out-of-pocket expenses of the Underwriter, including the California Debt and Investment Advisory Commission fee, travel (except in connection with securing a rating on the Bonds) and other expenses incurred by it, excluding the fees of its counsel.

The District shall pay any expenses incident to the performance of its obligations hereunder from the proceeds of the Bonds (or from any other source of available funds of the District) which are not paid by the Underwriter from the amounts specified in the prior paragraph. The expenses to be paid by the Underwriter from the \$_____ referenced in the prior paragraph include: (i) the cost of the preparation and reproduction of the District Resolution; (ii) the fees and disbursements of Bond Counsel, Annette Yee and Company, Financial Advisor to the District, and counsel to the Underwriter; (iii) the cost of the preparation, printing and delivery of the Bonds; (iv) the cost of the preparation, printing, delivery and electronic posting of the Preliminary Official Statement, the Official Statement, and any amendment or supplement thereto in the quantity requested by the Underwriter in accordance herewith; (v) initial rating fees of Standard & Poor's Ratings Services and Moody's Investors Service; (vi) fees and expenses of the Paying Agent for the Bonds; (vii) pre-election consultant costs paid by the District and election costs paid by the District to the County; and (viii) other costs of issuing the Bonds approved in writing by the District.

In the event that the Closing does not occur, the Underwriter shall not be responsible for any costs related to the proposed issuance of the Bonds, which costs, if any are due, shall be the responsibility of the District.

13. Notices. Any notice or other communication to be given under this Contract of Purchase (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, Manhattan Beach Unified School District, 325 South Peck Ave, Manhattan Beach, California 90266; or if to the Underwriter, to E. J. De La Rosa & Co., Inc., 10866 Wilshire Blvd., Suite 1650, Los Angeles, California 90024, Attention: Scott Henry.

14. Parties in Interest; Survival of Representations and Warranties. This Contract of Purchase, when accepted by the District, in writing, shall constitute the entire agreement among the District and the Underwriter. This Contract of Purchase is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter). No person shall acquire or have any rights hereunder or by virtue hereof. All representations, warranties and agreements of the the District in this Contract of Purchase shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of and payment by the Underwriter for the Bonds hereunder, and (c) any termination of this Contract of Purchase.

15. Effective. This Contract of Purchase shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the District and shall be valid and enforceable as of the time of such acceptance.

16. No Prior Agreements. This Contract of Purchase supersedes and replaces all prior negotiations, agreements and understandings between the parties hereto in relation to the sale of the Bonds.

17. Execution in Counterparts. This Contract of Purchase 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 INTENTIONALLY BLANK]

18. Applicable Law. This Contract of Purchase shall be interpreted, governed and enforced in accordance with the law of the State of California applicable to contracts made and performed in such State.

Very truly yours,

E. J. DE LA ROSA & CO., INC.

By: _____
Authorized Representative

The foregoing is hereby agreed to and accepted as of the date first above written:

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

By: _____
Superintendent

Time of Execution: _____

APPENDIX A

MATURITY SCHEDULE

ELECTION OF 2008 GENERAL OBLIGATION BONDS, 2010 SERIES B

\$ Capital Appreciation Bonds

<u>Maturity Date</u> <u>(September 1)</u>	<u>Original</u> <u>Par Amount</u>	<u>Original</u> <u>Accretion Rate</u>	<u>Reoffering</u> <u>Yield to Maturity</u>	<u>Maturity</u> <u>Value</u>
--	--------------------------------------	--	---	---------------------------------

\$ Convertible Capital Appreciation Bonds

<u>Maturity Date</u> <u>(September 1)</u>	<u>Original</u> <u>Principal Amount</u>	<u>Conversion</u> <u>Date</u>	<u>Accretion</u> <u>Rate</u>	<u>Value at</u> <u>Maturity</u>	<u>Coupon Upon</u> <u>Conversion</u>
--	--	----------------------------------	---------------------------------	------------------------------------	---

Redemption Provisions

Optional Redemption of Series B Capital Appreciation Bonds. The Series B Capital Appreciation Bonds maturing on September 1, 20__ may be redeemed prior to maturity at the option of the District, from any source of funds, in whole or in part on September 1, 20__, or on any date thereafter, at a redemption price equal to 100% of the Accreted Value thereof, together with interest accrued thereon to the date fixed for redemption, without premium.

Optional Redemption of the Series B Convertible Bonds. The Series B Convertible Bonds maturing on September 1, 20__ may be redeemed prior to maturity at the option of the District, from any source of funds, in whole or in part on September 1, 20__, or on any date thereafter, at a redemption price equal to 100% of the Conversion Value thereof, together with interest accrued thereon to the date fixed for redemption, without premium.

Sinking Fund Redemption of Series B Convertible Bonds. The Series B Convertible Bonds maturing on September 1, 20__ are subject to mandatory sinking fund redemption on the following dates and in the following amounts at a redemption price equal to the Conversion Value to be redeemed, together with accrued interest to the redemption date, without premium as follows:

<i>Year (September 1)</i>	<i>Conversion Value To Be Redeemed</i>
-------------------------------	--

†

† Final Maturity

**RESOLUTION OF THE
BOARD OF SUPERVISORS**

RESOLUTION OF THE BOARD OF SUPERVISORS OF LOS ANGELES COUNTY, CALIFORNIA AUTHORIZING THE LEVY OF TAXES FOR GENERAL OBLIGATION BONDS OF THE MANHATTAN BEACH UNIFIED SCHOOL DISTRICT, DESIGNATING THE PAYING AGENT THEREFOR AND DIRECTING THE COUNTY AUDITOR-CONTROLLER TO MAINTAIN TAXES ON THE TAX ROLL

WHEREAS, a duly called election was held in the Manhattan Beach Unified School District, Los Angeles County, State of California (hereinafter referred to as the "District"), on November 4, 2008 (the "Authorization") and thereafter canvassed pursuant to law;

WHEREAS, at such election there was submitted to and approved by the requisite fifty-five percent vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum principal amount of \$67,480,000, payable from the levy of an *ad valorem* tax against the taxable property in the District;

WHEREAS, the Board of Education of the District (the "District Board") has determined in a Resolution adopted on June 2, 2010 (the "District Resolution") to issue and sell its Election of 2008 General Obligation Bonds, 2010 Series B (the "Bonds") pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with Section 53506) of the California Government Code (the "Bond Law") in an amount not to exceed \$13,000,000;

WHEREAS, the County Superintendent of Schools has certified that the District did not receive a qualified or negative certification on its most recent interim report; and

WHEREAS, the District Resolution formally requests this Board of Supervisors (the "County Board") to permit the District to issue the Bonds on its own behalf, to levy taxes in an amount sufficient to pay the principal of and interest on the Bonds when due, and to direct the Auditor-Controller of Los Angeles County to place on its 2010-11 tax roll, and all subsequent tax rolls, taxes sufficient to fulfill the requirements of the debt service schedule for the Bonds that will be provided to the Auditor-Controller by the District following the sale of the Bonds;

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF LOS ANGELES COUNTY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Issuance of Bonds. That the District may issue and sell the bonds on its own behalf, pursuant to the Bond Law and Section 15140 of the Education Code.

SECTION 2. Levy of Taxes. That this Board levy taxes in an amount sufficient to pay the principal of and interest on the Bonds.

SECTION 3. Preparation of Tax Roll. That the Auditor-Controller of Los Angeles County is hereby directed to maintain on its 2010-11 tax roll, and all subsequent tax rolls, taxes in an amount sufficient to fulfill the requirements of the debt service schedule for the Bonds, which will be provided to the Auditor-Controller by the District following the sale of the Bonds.

SECTION 4. Effective Date. That this Resolution shall take effect immediately upon its passage.

The foregoing resolution was adopted on the 15th day of June, 2010, by the Board of Supervisors of Los Angeles County and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

SACHI A. HAMAI, Executive Officer-Clerk of the
Board of Supervisors of Los Angeles County

By: _____
DEPUTY

APPROVED AS TO FORM:

ANDREA ORDIN
COUNTY COUNSEL

By: _____
Principal Deputy County Counsel

E. CONSENT CALENDAR

2. **TITLE:** Annual Membership in the Cooperative Organization for the Development of Employee Selection Procedures (CODESP)

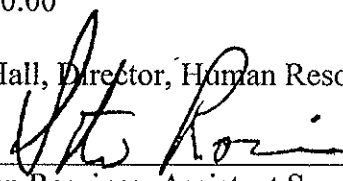
BACKGROUND: As a member of the Cooperative Organization for the Development of Employee Selection Procedures (CODESP) the district has access to materials used in formulating tests for employment vacancies. In addition, CODESP offers seminars and online training that help keep the Human Resource Department current on best practices and trends.

ACTION RECOMMENDED: Approve annual membership in the Cooperative Organization for the Development of Employee Selection Procedures (CODESP) from July 1, 2010, through June 30, 2011, in the amount of \$1,750.00 to be charged to Acct. #01.0-00000.0-00000-74002-5310-0000115.

FISCAL IMPACT: \$1,750.00

PREPARED BY: Kathy Hall, Director, Human Resources

APPROVED BY: _____


Steven Romines, Assistant Superintendent
Business Services

DATE OF MEETING: June 2, 2010

CODESP

COOPERATIVE
ORGANIZATION FOR THE
DEVELOPMENT OF
EMPLOYEE
SELECTION
PROCEDURES

INVOICE

Please submit to the Business Office for payment to **CODESP**

ITEM DESCRIPTION	COST
Membership fee for participation in the Cooperative Organization for the Development of Employee Selection Procedures – CODESP , beginning July 1, 2010 and ending June 30, 2011. Taxpayer ID No. 54-2166843	\$1,750.00

Make check/PO* payable to CODESP and mail to:

CODESP

20422 Beach Blvd. Suite 310
Huntington Beach, CA 92648

Phone: (714) 374-8644 Fax (714) 374-8225

E-Mail: tests@codesp.com

www.codesp.com

*Payment by check is expected within 45 days of our receipt of a purchase order.

E. CONSENT CALENDAR

3. **TITLE:** Annual Membership in School Employees Association of California

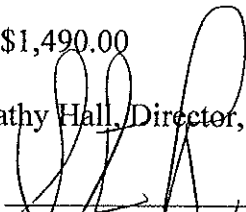
BACKGROUND: As a member of the School Employees Association of California the district has access to materials regarding legal issues, best practices and trends that affect California public education specifically in the area of collective bargaining. Fees for the Joint Powers Authority have not increased in over 10 years, and will not increase this year or next. The fees continue to be reimbursable under mandated costs.

ACTION RECOMMENDED: Approve annual membership in School Employees Association of California from July 1, 2010, through June 30, 2011, in the amount of \$1,490.00 to be charged to Acct. #01.0-00000.0-00000-74001-5220-0000115.

FISCAL IMPACT: \$1,490.00

PREPARED BY: Kathy Hall, Director, Human Resources

APPROVED BY:



Steven Romines, Assistant Superintendent
Business Services

DATE OF MEETING: June 2, 2010



2010
Board of Directors:

Mr. Roger Gallizzi
Chair
Superintendent
Palmdale School District

Dr. John Keiter
Vice-Chair
Superintendent
Summerville UHSD/
Twain Harte-Long Barn
Union ESD

Mr. Gregory Kampf
Treasurer
Superintendent
Lompoc Unified School
District

Ms. Lillian French
Superintendent
Mountain View School
District

Ms. Melinda Hennes
Superintendent
Atwater Elementary School
District

Mr. Frank Porter
Superintendent
Twin Rivers Unified School
District

Mr. Larry L. Powell
Superintendent
Fresno County Office of
Education

Dr. John Roach
Superintendent
Carlsbad Unified
School District

Dr. Linda Wagner
Superintendent
Monrovia Unified School
District

Mrs. Dorothy Fagan
Ex-Officio
Superintendent
East Whittier City School
District

Dr. Ruben Ingram
Executive Director
SEAC

To: SEAC Superintendents
From: SEAC Board of Directors
Subject: Joint Powers Agreement
Date: May 7, 2010

This letter is a friendly reminder that your district continues to be part of a Joint Powers Authority (JPA) with 150 other districts in the School Employers Association of California (SEAC). Similar to all JPA's this agreement specifies your district's participation continues with automatic renewal unless SEAC is notified by April 1 that your district does not intend to participate in the coming year. This provision has been in the agreement for over 30 years and provides our board and staff with 90 days to develop a budget, and plan services and staff. We did not receive such notice; therefore the 2010-2011 invoice is enclosed.

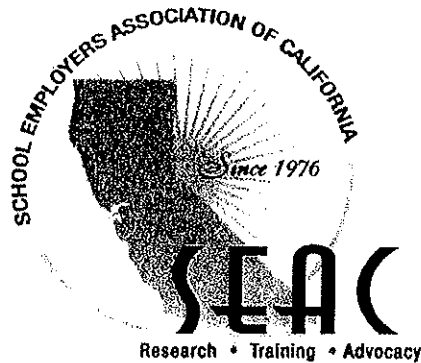
We know these difficult times require difficult decisions, but we also believe that it is more critical than ever for districts to band together in collective bargaining, and that is what your participation in SEAC does. The unions have long coordinated their research and bargaining tactics. Your participation in SEAC supports joint efforts among districts' management. Michael Hartney in the Department of Political Science at the University of Notre Dame stated recently, "For too long we have sidestepped controversial discussions about politics, unions, and governance." SEAC is the only Superintendent-directed professional association that addresses those issues on your behalf through research, training, and advocacy.

Fees for the JPA have not increased in over 10 years, and will not increase this year or next. While the fees are not due until July 1, 2010, many districts prefer the option to pay out of this year's budget. The fees continue to be reimbursable under mandated costs.

Also enclosed is a "Values-Added Fact Sheet" for your information. Please call the SEAC Office with any questions.

Sincerely,

cc: District Chief Human Resources Administrator
District Business Office



Examples of “value-added” services to members of the JPA are:

- Legislative Action not taken by any other statewide management association supporting aspects of SB955 (Huff)
 - Elimination of the requirement to hire laid off permanent teachers back as subs for full pay and benefits after 21 consecutive days.
 - Change the date of layoff notification from March 15 to June 15.
 - Change the requirement to hire laid off teachers back solely on seniority.
 - Change the disciplinary process of the Commission on Professional Competency to be more user friendly to management and make all findings recommendations only with the governing board making the final decisions.

Note: On May 4, 2010 the SEAC Board and Staff met personally in Sacramento with following to push these proposals on your behalf:

- Susanna Cooper, Senate Pro Tem Steinberg’s Advisor
- Paul Navarro, Governor Schwarzenegger’s Advisor
- Rick Simpson, Assembly Speaker Perez’s Advisor
- Cheryl Black, Senate Republican Caucus
- Chris Finarelli, Senator Huff’s Advisor

We were told that SEAC was the only group that has come forward to support these management rights improvements.

- Negotiations “hot line”, a no-charge research service to member districts
- “Readers’ Digest” summaries of all PERB decisions, court cases, and Factfinding reports. The cost savings of subscriptions for this information is over \$3,000 per year if an individual district subscribed on their own, not to mention the staff time in compiling it.
- Providing a six weekend, 54-hour intensive training for district management negotiators at the minimum cost of \$1300, or \$24 per hour including food.
- The California Education Coalition for Health Care Reform (CECHCR) was a SEAC Initiative, and SEAC continues to provide leadership and coordination among the management partners.
- Leading the proposal to develop a Statewide School Risk Pool that a legislative study says can save millions of dollars in premiums.



School Employers Association of California
 2172 Dupont Drive, Suite 13
 Irvine, CA 92612-1317

Invoice

Date	Invoice #
5/3/2010	M10-70

Bill To
Manhattan Beach Unified School District 325 S. Peck Avenue Manhattan Beach, CA 90266

Due on Receipt	Fed Tax ID 68-0510351
7/1/2010	

Item	Description	Amount
2010-11 District	Annual JPA Fee - July 1, 2010 through June 30, 2011	1,490.00

We appreciate your membership and support!

Please remit to:
 School Employers Association of California
 2172 Dupont Drive, Suite 13
 Irvine, CA 92612-1317

Total	\$1,490.00
Payments/Credits	\$0.00
Balance Due	\$1,490.00

E. CONSENT CALENDAR

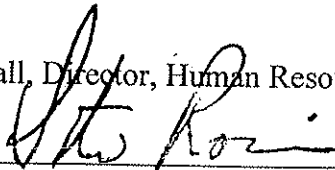
4. TITLE: Legal Services, Fagen, Friedman & Fulfrost LLP

BACKGROUND: Fagen, Friedman & Fulfrost LLP have provided legal services to the district since 2006. In an effort to support our budget efforts they have agreed to freeze their existing rates for the 2010-2011 school year. Adoption of this agreement will extend the legal services for an additional year, at the current fee rates through June 30, 2011.

ACTION RECOMMENDED: Adopt extension to the agreement for Legal Services with Fagen, Friedman & Fulfrost LLP through June 30, 2011, with no change in rates.

PREPARED BY: Kathy Hall, Director, Human Resources

APPROVED BY:



Steven Romines, Assistant Superintendent
Business Services

DATE OF MEETING: June 2, 2010



Fagen Friedman & Fulfroost LLP

Peter K. Fagen
Howard A. Friedman
Howard J. Fulfroost
Melanie A. Petersen
Laurie E. Reynolds
James B. Fernow
Christopher D. Keeler
Jan E. Tomsky
Jonathan P. Read
Christopher J. Fernandes
Douglas N. Freifeld
Diane Marshall-Freeman
Roy A. Combs
Mark S. Williams
Lenore Silverman
Kimberly A. Smith
Brian D. Bock
Kathleen J. McKee
Rob V. Piacente
Deborah R. G. Cesario
Elizabeth B. Mori
Namita S. Brown
Ricardo R. Silva
Wesley B. Parsons
Gretchen M. Shipley
David A. Moreno

William F. Schuetz, Jr.
Anne M. Sherlock
Shawn Olson Brown
Kelly R. Minnehan
Angela Gordon
Cynthia M. Smith
Emily E. Sugrue
Jennifer R. Rowe
Joshua A. Stevens
Lyndsy B. Rutherford
Rachel C. Disario
Dean T. Adams
Summer D. Dalessandro
Vivian L. Haun
Tiffany M. Santos
L. Carlos Villegas
Kerrie E. Taylor
Susan Park
Melissa Hatch
Maggie M. Athanasious
Susan B. Winkelman
Gregory Rodriguez
Anna J. Miller
Melissa L. Phung
Keith Yanov
Kelley A. Owens
Leslie A. Reed
Melanie D. Larzul

Diana McDonough
Lynn Murphy, Ed.D.
Of Counsel

May 6, 2010

Janet Schwabe
Manhattan Beach Unified School District
325 South Peck Avenue
Manhattan Beach, CA 90266

Re: Agreement for Legal Services 2010-2011 School Year

Dear Janet:

We are truly appreciative of our continuing collaboration in addressing your legal affairs, and the trust you have placed in us. As we approach our four year anniversary as a law firm, we are thankful for the client relationships that we have continued and those we have more recently started.

We are very aware of the current fiscal crisis faced by most of our clients. While we have made only minimal adjustments in our rates since our founding in 2006, we have decided to **freeze our existing rates for the 2010-2011 school year** in an effort to support your budget efforts. As always, we will work with you and your staff as efficiently as possible to control your legal expenses.

Due to the fact that our rates are not changing, our existing contract with you will remain in effect for the 2010-2011 school year. Therefore, no action is necessary on your part.

However, we know that some clients want to enter into a new contract each year. If you would like a new contract for 2010-2011, please let us know and we will provide it immediately.

We have built a law firm consisting of some of the best and most experienced school lawyers in California, specializing in such diverse practice areas as labor/employment, special education, facilities/business, charter schools, governance, and litigation. We want to assure you that we will continue to provide the highest quality legal representation in all of our practice areas at moderate rates.

We value our relationship with you. If you should have any questions regarding our services or billing, please do not hesitate to contact us at your convenience.

Sincerely,

FAGEN FRIEDMAN & FULLFROOST, LLP


Peter K. Fagen

PKF:ra

Peter K. Fagen
Direct Dial: 760-304-6009
pfagen@fagenfriedman.com

Charter Schools: Timelines and Tips



Fagen Friedman & Fulfroft LLP

Charter Petition Granting/Denying Timelines

- **Public Hearing Deadline:** Once a complete petition to establish a charter school is received, the district must hold a public hearing to consider the level of support for the petition within 30 days.
- **Grant/Deny Deadline:** The district must grant or deny the charter within 60 days from receipt of the petition, unless the parties mutually agree to extend the deadline.

The petition must be approved unless the district makes written factual findings that support one or more of the following legally permitted grounds to deny the petition:

1. The petition does not contain the required number of signatures;
2. The petition does not contain an affirmation of each of the required conditions;
3. The charter school presents an unsound educational program;
4. The petitioners are demonstrably unlikely to successfully implement the program; or
5. The petition does not contain reasonably comprehensive descriptions of the 16 required elements.

Sixteen Required Elements Of A Charter School Petition

"Reasonably comprehensive" descriptions of sixteen criteria contained in Education Code section 47605:

- | | |
|---|---|
| <input type="checkbox"/> Description of educational program | <input type="checkbox"/> Independent financial audit |
| <input type="checkbox"/> Measurable student outcomes | <input type="checkbox"/> Suspension and expulsion procedures |
| <input type="checkbox"/> Method for assessing student progress | <input type="checkbox"/> Staff coverage by STRS, PERS, or Social Security |
| <input type="checkbox"/> Governance structure of the school | <input type="checkbox"/> Public school attendance alternatives |
| <input type="checkbox"/> Employee qualifications | <input type="checkbox"/> Employee leave and return rights |
| <input type="checkbox"/> Health and safety procedures | <input type="checkbox"/> Dispute resolution process |
| <input type="checkbox"/> Means to achieve racial and ethnic balance | <input type="checkbox"/> Declaration re: labor relations under EERA |
| <input type="checkbox"/> Admission requirements | <input type="checkbox"/> Closure procedures |

Proposition 39 Facilities Request Timelines

- **November 1:** The charter school must submit its request to receive facilities from the district for the following school year.
- **December 1:** The district must object to the charter school's average daily attendance projections or else waive the right to challenge the charter school's projections.
- **February 1:** The district's preliminary facilities proposal is due to the charter school.
- **April 1:** The district's final facilities offer is due to the charter school.

Factors To Consider For Petition Renewal

- ☐ Does the petition contain a sufficient description of legal requirements that went into effect after the charter was originally granted or last renewed?
- ☐ Does the petition accurately reflect student enrollment, grade levels served, and facilities operated?
- ☐ Have the petitioners shown evidence of a successfully operating budget?
- ☐ Has the charter school met its enrollment projections in the current term?
- ☐ Has the charter school been timely and responsive in providing the district with requested information?
- ☐ Has the charter school met at least one of the following criteria?
 1. Attained its API growth target in the prior year or in two of the last three years, or in the aggregate for the prior three years.
 2. Ranked in deciles 4 to 10, inclusive, on the API in the prior year or in two of the last three years.
 3. Ranked in deciles 4 to 10, inclusive, on the API for a demographically comparable school in the prior year or in two of the last three years.
 4. The academic performance of the charter school is at least equal to the academic performance of the public schools that the charter school students would otherwise have been required to attend, as well as the academic performance of the schools in the school district in which the charter school is located, taking into account the composition of the student population that is served at the charter school.
 5. Qualified for an alternative accountability system.

Charter Revocation

A charter may not be revoked unless written factual findings support one or more of the following:

1. The charter school committed a material violation of any of the conditions, standards, or procedures set forth in the charter;
2. The charter failed to meet or pursue any of the student outcomes identified in the charter;
3. The charter school failed to meet generally accepted accounting principles, or engaged in fiscal mismanagement; or
4. The charter school violated any provision of law.



Fagen Friedman & Fulfroft LLP

Redefining Education Law

Business, Facilities & Real Estate
Charter Schools
Governance & Leadership
Labor & Employment
Litigation
Student & Special Education
Community Colleges

Los Angeles | Oakland | Sacramento | San Diego

www.fagenfriedman.com

E. CONSENT CALENDAR

5. **TITLE:** Receive for review and adoption **REVISED** medical form for School Health Care Services for student with diabetes, and adoption of **NEW** medical forms for Self Administration of Medication, and Health Care Procedure Performed by Student

BACKGROUND: The Manhattan Beach Unified School District Medical Advisory Board recommended revision of the existing form for diabetes. The district did not have forms for self administration of medication or health care procedure performed by student. The Medical Advisory Board created these forms. The Medical Advisory Board recommends the district adopt this revised form and these two new forms.

ACTION RECOMMENDED: Receive for review and adoption **REVISED** medical form for School Health Care Services for student with diabetes, and adoption of **NEW** medical forms for Self Administration of Medication, and Health Care Procedure Performed by Student

PREPARED BY: Ellyn Schneider, Executive Director, Student Services

DATE OF MEETING: June 2, 2010

PHYSICIAN AUTHORIZATION FOR SCHOOL HEALTH CARE SERVICES

Manhattan Beach Unified School District
325 South Peck Ave, Manhattan Beach Ca. 90266
Phone 310-318-7345 Fax 310-303-3826

STUDENT'S NAME: _____

DATE OF BIRTH: _____

PHYSICAL CONDITION: Diabetes Type1 Other : _____

Supervision: Student requires adult supervision/assistance for the following items unless marked as Independent:

- Blood glucose testing Independent Give insulin by injection Independent
Carbohydrate management Independent Give insulin by insulin pen Independent
Carbohydrate counting Independent Give insulin by insulin pump Independent

Blood Glucose Monitoring

Target range of blood glucose: 70-150 Other: _____

Check blood glucose with meter brought from home or additional meter left at school.

If independent, student may carry meter and test as necessary.

If supervised or total care is required, student should have blood glucose tested before lunch and if exhibiting signs/symptoms of high or low blood glucose. Student should also be checked at the following times:

- before snacks before exercise before getting on bus
 other after exercise

Hypoglycemia (Treatment of low blood glucose)

- 1. Treatment is given for low blood glucose less than 70 mg/dL.
2. Treat with one: 4 ounces any juice, 4 oz. regular soda, 3 glucose tablets, 15 grams glucose gel or other _____.
3. If blood sugar is less than 70 mg/dL, retest in 15 minutes and repeat step 2 if blood sugar is still below 70 mg/dL. Also repeat step 2 if symptoms persist.
4. Give 15 gram CHO choice per parent or student 10 minutes after the blood sugar is above 70 mg/dL if lunch or snack is more than one hour away
5. Whenever possible the school nurse or trained personnel should administer GLUCAGON and then call 911 if child begins to lose consciousness, is having a seizure or is unable to swallow. This is called a severe low blood glucose event and it is a medical emergency. Glucagon should be given IM in the arm or thigh.
6. Dosage of Glucagon is 0.5 mg = 1/2 cc for students under 10 years of age and 1 mg = 1 cc if ten years of age or older. If it is not possible to give glucagon, call 911.

After GLUCAGON administration call 911, the parent and the medical team.

Hyperglycemia (Treatment of high blood glucose) See Insulin Pump section

- 1. Call parent if blood sugar is greater than _____.
2. Have child wash and dry hands thoroughly and repeat blood sugar test if blood sugar is greater than 300mg/dL.
3. Check urine for ketones if blood sugar is greater than _____ more than 3 hours after last meal. Encourage water. Do not allow student to exercise if ketones are present or if blood sugar is greater than _____. If ketones are moderate or large call parent to take student home for observation and/or medical care.
4. Insulin correction can be given: before AM snack before lunch other _____
5. Do not give correction more frequently than every 2 hours or if food was eaten within the previous 2 hours.
6. Insulin for correction OR as determined and given by parent: [] Humalog [] NovoLog [] Apidra

Table with 4 columns: BG Range, Low Dose Scale, High Dose Scale, Other. Rows include BG 150-200, 201-250, 251-300, 301-350, 351-400, 401-450, 451-500, 501-550, 551-Hi.

*If using Freestyle meter, Hi is 500 and over use correction dose for 501-550 mg/dl range

PHYSICIAN AUTHORIZATION FOR SCHOOL HEALTH CARE SERVICES

Manhattan Beach Unified School District
325 South Peck Ave, Manhattan Beach Ca. 90266
Phone 310-318-7345 Fax 310-303-3826

STUDENT'S NAME: _____

DATE OF BIRTH: _____

Students on Fixed Regime N/A

Student is on a fixed meal plan with the following amount of carbohydrate (CHO) during school:

AM snack _____ Lunch _____ PM snack _____

Student can take insulin for additional carbohydrates: _____ units per _____ grams CHO

Insulin therapy in case of disaster: For all students other than those on an insulin pump, check blood glucose every 4 hours and give insulin using scale in #6 to prevent child from developing ketoacidosis.

Students on Basal Bolus Insulin Regime with Multiple Daily Injections (MDI) N/A

On this regime, students need to take insulin every time carbohydrates are eaten!

Type of basal insulin: _____ dose: _____ time: _____ (Usually taken at home/given by parent)

Type of bolus insulin: _____

Insulin/carbohydrate ratio: _____ units per _____ grams CHO. Correction insulin: See Hyperglycemia

Insulin therapy in case of disaster for students on MDI: Check blood glucose every 4 hours and give correction according to the hyperglycemia protocol (#6) in addition to insulin for carbohydrates eaten.

Students with Insulin Pumps N/A

(Technical support: call pump company number on back of pump. Clinical support: parents or physician)

Basal rates can change often. These can be reviewed in the pump or written down by parents.

Insulin/carbohydrate ratio. One unit of insulin will cover _____ grams CHO

Correction/Sensitivity factor: one unit of insulin will decrease blood glucose _____ mg/dL

Insulin therapy in case of disaster for students on pump: Maintain basal rates with meal and correction boluses as needed.

If unable to administer insulin by the pump check blood glucose every 4 hours and give correction according to the correction protocol above in addition to insulin for carbohydrates eaten.

Exercise and Sports

The student may participate in sports: Yes No

Activity Restrictions: None Other: _____

Fast-acting carbohydrate should be readily available at all times for low blood glucose symptoms.

Student should not exercise if urine ketones are present or if blood glucose is less than 70mg/dL.

Supplies to be Kept at School: A blood glucose meter and strips along with back-up insulin (vial with syringes or pen) should be available for all students. Other items to be brought in by parent include urine ketone strips, fast-acting source of glucose, carbohydrate containing snacks, **Glucagon Emergency Kit** and back-up insulin pump supplies.

Other Instructions: _____

Physician Authorization for management of Diabetes at School

My signature below provides authorization for the above written orders. I understand that all procedures will be implemented in accordance with Education Code Section 49423.5. I understand that specialized physical health care services may be performed by unlicensed, trained designated school personnel with the exception of insulin injections, which can only be performed by a licensed nurse. If indicated above, I authorize that the student can perform diabetes care independently. This authorization is for a maximum of one school year. If changes are indicated, I will provide new written authorization.

Signature Physician: _____

Date: _____

Print or Stamp: Name, Address and Phone:

Parent Consent for management of Diabetes at School

I, the parent/guardian of the named student, request the ordered specialized physical health care services be provided in accordance with MBUSD Administrative Regulation 5141.21, and the Education Code Sections 49423 and 49423.5. I will provide the necessary supplies and equipment, and arrange for proper disposal of all sharps. I will notify the nurse of changes in my child's health status and I will provide written authorization for changes in physician's orders. I give permission for the nurse to exchange information with my child's health care provider(s) and school staff members regarding the management of my child's diabetes at school.

Parent/Guardian Signature: _____

Date: _____ 153

Agreement for Self Administration of Medication for School Year
20 ___ / 20 ___

Student Name: _____

DOB _____ Grade _____

School: _____

Medication:

Name: _____ Dosage: _____

Indications for use: _____

Student Agreement

1. I will use my medication as I have been instructed and trained by my doctor (MD orders attached).
2. Following the self administration of my medicine,
 - I will resume school activities unless I continue to have symptoms and/or do not feel well after using my medication. I will then inform an adult (teacher/office staff) of my need for assistance.
 - **If I have self administered an epi pen, I will immediately notify an adult staff member of having used my medication and the need for 911 to be called.**
3. I will keep my medication labeled with my first and last name in its original pharmaceutical container on my person or in my possession at all times and I will not let anyone else handle or use my medication.
4. I will keep a copy of this agreement along with a copy of the physician's orders with the medication authorizing me to carry this medication.

Student Signature

Date

Parent Agreement

1. As the parent/guardian of the above named student, I confirm that my student has been trained to administer the medication as prescribed without supervision of school personnel.
2. I will notify the school health office immediately of any changes in my student's health status or medication orders.
3. I understand that this agreement is valid for the current school year including summer school.
4. I understand that the privilege of carrying medication on campus may be revoked if this contract is violated and that my student may be subject to disciplinary action if the medication is used in a manner other than prescribed and agreed to in this agreement. (MBUSD AR 5141.21)
5. I release the Manhattan Beach Unified School District Board of Education and any of their officers, employees, and agents from any liability or responsibility for supervision of the student during self-administration of this medication.

Parent/Guardian Signature

Date

Authorized School Personnel

Date

Copy for Student, Parent, Health File and Principal
5-2010

Agreement for Health Care Procedure Performed by Student

School Year 20____ / 20____

Student Name: _____

DOB: _____ Grade: _____

School: _____

Diagnosis: _____

Procedure: _____

Parent Authorization

I (We) declare that the above named student has been trained by a licensed medical provider in the above named procedure and can perform the procedure without supervision of school personnel. We therefore release the Manhattan Beach Unified School District, the Manhattan Beach Unified School District Board of Education and any of their officers, employees, and agents from any responsibility or liability for providing or supervising this service.

I (We) the parents/guardians of the above named student hereby release and hold harmless from any liability the Manhattan Beach Unified School District, The Manhattan Beach Unified School District Board of Education and any of their officers, employees, and agents of the Manhattan Beach Unified School District who may reasonably act or refrain from acting pursuant to or in connection with the Physician Authorization.

The privilege of carrying emergency medication or medical supplies on a student's person may be revoked by a designated certificated employee of the Manhattan Beach Unified School District, if it poses a risk to the health and safety of any student (*MBUSD AR 5141.21*).

I give permission for the District Nurse to exchange information with my child's health care provider(s) and school staff members regarding the health management of my child at school.

Parent / Guardian Signature

Date

G. BOARD BUSINESS

3. **TITLE:** Approve **NEW** Board Policy 1330.1, Joint Use Agreements

BACKGROUND: This **NEW** policy is for use when the district, in order to share costs and risks, enters, or is considering entering, into joint use agreements with public or private entities for the shared use of either district or community facilities for recreational activities, library services, health centers or other purposes. Policy addresses the philosophy of joint use, process for developing joint use agreements, and the components to include in an agreement.

NOTE: Use of school facilities by the community also may be accomplished through the Civic Center Act (Education Code 38130-38138)

FISCAL IMPACT: None

ACTION RECOMMENDED: Approve **NEW** Board Policy 1330.1, Joint Use Agreements

PREPARED BY: Steve Romines

DATE OF MEETING: June 2, 2010

AGENDA NOTE AGENDA NOTE AGENDA NOTE

Community Relations

In order to ensure the efficient use of public resources and increase access to needed services, the Governing Board may enter into an agreement with any public agency, public institution, and/or community organization to use community facilities for school programs or to make school facilities or grounds available for use by those entities. Such an agreement shall be based on an assessment of student and community needs and may be designed to increase access to spaces for recreation and physical activity, library services, preschool programs, before- or after-school programs, or other programs that benefit students and the community.

- (cf. 1020 - Youth Services)
- (cf. 1330 - Use of School Facilities)
- (cf. 1400 - Relations Between Other Governmental Agencies and the Schools)
- (cf. 5030 - Student Wellness)
- (cf. 5148 - Child Care and Development)
- (cf. 5148.2 - Before/After School Programs)
- (cf. 5148.3 - Preschool/Early Childhood Education)
- (cf. 6142.7 - Physical Education and Activity)
- (cf. 6145.2 - Athletic Competition)
- (cf. 6163.1 - Library Media Centers)
- (cf. 7000 - Concepts and Roles)
- (cf. 7131 - Relations with Local Agencies)

When it is determined that joint use of facilities is in the best interest of the district and community, the Superintendent or designee shall identify a potential partner agency, institution, or organization. He/she shall involve that partner, appropriate district and school staff, and community members in establishing planning processes, goals and priorities for joint use, locations where programs or facilities are most needed, and protocols for ongoing communication and coordination between the partners.

- (cf. 1220 - Citizen Advisory Committees)

The Superintendent or designee shall work with the partner agency, institution, or organization to develop a written site-specific joint use agreement that delineates the terms and conditions for joint use of the district or community facilities and the responsibilities of all parties. As appropriate, the agreement may address:

1. The underlying philosophy or reasons for entering into the joint use agreement
2. The specific district or community facilities or grounds that will be made available to the other party and areas that will be restricted
3. Priorities for use of the property

Joint Use Agreements

BP 1330.1 (b)

Community Relations

4. Hours that the property will be available for use by the district, the partner, or other parties
5. Projected capital costs, if any, and operating costs

(cf. 7110 - Facilities Master Plan)
(cf. 7150 - Site Selection and Development)
(cf. 7210 - Facilities Financing)
6. Resources to be allocated by the district and the partner

(cf. 3100 - Budget)
7. Rental or other fees, if any, to be charged to either party or third parties using the facilities
8. Responsibilities for management, scheduling, maintenance, on-site supervision, accounting, and other operations
9. Procedures and timelines for requesting use of the facilities
10. Code of conduct for users of the facilities and consequences for violations of the code

(cf. 3513.3 - Tobacco-Free Schools)
(cf. 3515.2 - Disruptions)
(cf. 5131 - Conduct)
(cf. 5131.5 - Vandalism and Graffiti)
11. Provision for regular inspection and notification of damage, as well as restitution and repair of property

(cf. 3515.4 - Recovery for Property Loss or Damage)
(cf. 3517 - Facilities Inspection)
12. Safety and security measures

(cf. 0450 - Comprehensive School Safety Plan)
(cf. 3515 - Campus Security)
(cf. 3516 - Emergencies and Disaster Preparedness Plan)
(cf. 5142 - Safety)

Joint Use Agreements

BP 1330.1 (c)

Community Relations

13. Liability, insurance, and risk management issues

(cf. 3320 - Claims and Actions Against the District)

(cf. 3530 - Risk Management/Insurance)

(cf. 9260 - Legal Protection)

14. Duration of the agreement, process for amending the agreement, and the bases for cancelling or terminating the agreement before the expiration date

15. Process for resolving disputes regarding any aspect of the agreement

16. How any equipment purchased or other investments made through the agreement will be disposed of at the termination of the agreement

The agreement shall be reviewed by legal counsel and approved by the Board.

The Superintendent or designee shall provide regular reports to the Board regarding progress toward project goals, including, but not limited to, levels of participation in joint use programs held at school or community facilities, feedback from program participants, and any report of damage to property or harm to individuals resulting from the joint use. As needed, the Superintendent or designee shall recommend amendments to the joint use agreement.

(cf. 0500 - Accountability)

Legal Reference:

EDUCATION CODE

10900-10914.5 Community recreation programs

17051-17052 Joint use

17077.40-17077.45 Eligibility for joint use funding

17565-17592 Board duties re property maintenance and control

35200-35214 Liabilities

37220 School holidays; use of facilities when school is closed

38130-38138 Civic Center Act, use of school property for public purposes

44808 Exemption from liability when students not on school property

BUSINESS AND PROFESSIONS CODE

25608 Alcoholic beverages on school premises

GOVERNMENT CODE

814-825.6 Liability of public entities and employees

830-840.6 Liability; dangerous conditions on property

895-895.8 Liability; agreement between public entities

989-991.2 Local public entity insurance

UNITED STATES CODE, TITLE 20

Joint Use Agreements

BP 1330.1 (d)

Community Relations

7905 Equal access to public facilities

Management Resources:

CSBA PUBLICATIONS

Maximizing Opportunities for Physical Activity Through Joint Use of Facilities, Policy Brief, rev. February 2010

Building Healthy Communities: A School Leader's Guide to Collaboration and Community Engagement, 2009

NATIONAL POLICY AND LEGAL ANALYSIS NETWORK TO PREVENT CHILDHOOD OBESITY PUBLICATIONS

Model California Joint Use Agreements

Liability for Use of School Property After Hours: An Overview of California Law, July 2009

Checklist for Developing Joint Use Agreements, March 2009

PUBLIC HEALTH LAW AND POLICY PUBLICATIONS

Opening School Grounds to the Community After Hours: A Toolkit for Increasing Physical Activity Through Joint Use Agreements, 2010

WEB SITES

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

California Project LEAN (Leaders Encouraging Activity and Nutrition):

<http://www.californiaprojectlean.org>

Cities Counties and Schools Partnership: <http://www.ccspartnership.org>

Joint Use Statewide Task Force: <http://www.jointuse.org>

National Policy and Legal Analysis Network: <http://www.nplan.org>

Public Health Law and Policy: <http://www.phlpnet.org>

Policy MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

G. **BOARD BUSINESS**

4. **TITLE:** Receive for First Reading and Adoption, revised Board Policy and Administrative Regulation 3320, Claims and Actions Against the District

BACKGROUND: Manhattan Beach Unified Board Policy and Administrative Regulation 3320, Claims and Actions Against the District, are presented to the Board as revisions for first reading and adoption. The policy has been updated to more accurately describe authorization for the district to adopt a procedure to govern the processing of claims not covered by the Government Claims Act (formerly the Tort Claims Act). The regulation is also updated to reflect **NEW LAW** (SB 640) which exempts from the six-month filing limitation certain types of claims suffered as a result of childhood sexual abuse. The section on “Delivery and Forms of Claims” is revised to clarify mailing requirements.

FINACIAL IMPACT: None

ACTION RECOMMENDED: Receive for First Reading and Adoption, revised Board Policy and Administrative Regulation 3320, Claims and Actions Against the District

PREPARED BY: Steve Romines

DATE OF MEETING: June 2, 2010

AGENDA NOTE AGENDA NOTE AGENDA NOTE

Business and Noninstructional Operations

CLAIMS AND ACTIONS AGAINST THE DISTRICT

The Governing Board intends that the district's operations minimize risk, protect district resources, and promote the safety of students, staff, and the public. Any and all claims for money or damages against the district shall be presented to and acted upon in accordance with Board policy and administrative regulation.

*(cf. 3530 - Risk Management/Insurance)
(cf. 5143 - Insurance)*

Claims for money or damages not governed by the Government Claims Act (Government Code 810-996.6) or excepted by Government Code 905 shall be presented consistent with the manner and time limitations in the Government Claims Act, unless a procedure for processing such claims is otherwise provided by state or federal law. Such compliance is a prerequisite to any court action consistent with the provisions of Government Code 945.4.

~~Compliance with this policy and accompanying administrative regulation is a prerequisite to any court action, unless the claim is governed by statutes or regulations, which expressly free the claimant from the obligation to comply with district policies and procedures and the claims procedures set forth in the Government Code.~~

The Governing Board delegates to the Superintendent the authority to allow, compromise or settle claims of \$50,000 or less. (Government Code 935.4)

This policy is intended to apply retroactively to any existing causes of action and/or claims for money and/or damages.

Roster of Public Agencies

The Superintendent or designee shall file the information required for the Roster of Public Agencies with the Secretary of State and the County Clerk. Any changes to such information shall be filed within 10 days after the change ~~in facts~~ **has occurred**. (Government Code 53051)

This information shall include the name of the school district, the mailing address of the Board, and the names and addresses of the Board presiding officer, the Board clerk or secretary, and other members of the Board. (Government Code 53051)

Business and Noninstructional Operations

CLAIMS AND ACTIONS AGAINST THE DISTRICT

Legal Reference:

EDUCATION CODE

35200 Liability for debts and contracts

35202 Claims against districts; applicability of Government Code

GOVERNMENT CODE

800 Cost in civil actions

810-996.6 Claims and actions against public entities

53051 Information filed with secretary of state and county clerk

PENAL CODE

72 Fraudulent claims

COURT DECISIONS

City of Stockton v. Superior Court, (2007) 42 Cal. 4th 730

Connelly v. County of Fresno, (2006) 146 Cal.App. 4th 29

CSEA v. South Orange Community College District, (2004) 123 Cal.App.4th 574

CSEA v. Azusa Unified School District, (1984) 152 Cal.App.3d 580

Management Resources:

WEB SITES

California Secretary of State's Office: <http://www.sos.ca.gov>

Policy MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

adopted: January 18, 2006 Manhattan Beach, California

reviewed: September 5, 2007

revised: June 2, 2010

Business and Noninstructional Operations**CLAIMS AND ACTIONS AGAINST THE DISTRICT****Time Limitations**

The following time limitations apply to claims against the district:

1. Claims for money or damages relating to a cause of action for death or for injury to person, personal property or growing crops shall be presented to the Governing Board not later than six months after the accrual of the cause of action. (Government Code 905, 911.2)

~~2. Claims for money or damages specifically excepted from Government Code 905 shall be filed not later than six months after the accrual of the cause of action; (Government Code 905, 911.2, 935)~~

2. Claims for money or damages as authorized in Government Code 905 and not included in item #1 above, including claims for damages to real property, shall be filed not later than one year after the accrual of the cause of action. (Government Code 905, 911.2)

Late Claims

Any person presenting a claim under item #1 ~~or #2~~ above later than six months after the accrual of the cause of action shall present, along with the claim, an application to file a late claim. Such claim and application to file a late claim shall be filed not later than one year after the accrual of the cause of action. (Government Code 911.4)

If a claim under item #1 ~~or #2~~ is filed late and is not accompanied by an application to file a late claim, the Board or Superintendent shall, within 45 days, give written notice that the claim was not filed timely and that it is being returned without further action.

The Board or Superintendent shall grant or deny the application to file a late claim within 45 days after it is presented. This 45-day period may be extended by written agreement of the claimant and the Board or Superintendent provided that such agreement is made before the expiration of the 45-day period. (Government Code 911.6)

The Board or Superintendent shall grant the application to file a late claim under any one of the following circumstances: (Government Code 911.6)

1. The failure to present the claim was through mistake, inadvertence, surprise or excusable neglect and the district was not prejudiced in its defense of the claim by the failure to present the claim within the time limit;

Business and Noninstructional Operations

CLAIMS AND ACTIONS AGAINST THE DISTRICT

2. The person who sustained the alleged injury, damage or loss was a minor during all of the time specified for presentation of the claim;
3. The person who sustained the alleged injury, damage or loss was physically or mentally incapacitated during all of the time specified for presentation of the claim and the disability was the reason he/she failed to present the claim;
4. The person who sustained the alleged injury, damage or loss died before the expiration of the time specified for the presentation of the claim.

If the application to present a late claim is denied, the claimant shall be given notice in the form set forth in Government Code ~~911.2~~ **911.8**. (Government Code ~~911.2~~ **911.8**)

If the Board or Superintendent does not take action on the application to file a late claim within 45 days, the application shall be deemed to have been denied on the 45th day unless such time period has been extended, in which case it shall be denied on the last day of the period specified in the extension agreement. (Government Code 911.6)

Delivery of Claims

A claim, any amendment thereto, or an application to present a late claim shall be deemed presented and received when delivered to the office of the Superintendent or deposited in a post office, subpost office, substation, or mail chute or other like facility maintained by the U.S. Government, in a sealed envelope properly addressed to the district office with postage paid *or when otherwise actually received in the district office or by the Board secretary or clerk.* (Government Code 915, 915.2)

Claims shall be submitted on the district claim form. The Board or Superintendent may return a claim not using the district's claim form and the claim may be resubmitted using the district's form. (Government Code 910.4)

Claim Form

Claims shall be submitted on the district claim form. The Board or Superintendent may return a claim not using the district's claim form and the claim may be resubmitted using the district's form. (Government Code 910.4)

Business and Noninstructional Operations**CLAIMS AND ACTIONS AGAINST THE DISTRICT****Notice of Claim Insufficiency**

The Superintendent shall review all claims for sufficiency of information.

If the claim is found insufficient or found not to satisfy the form requirements under Government Code 910.4, the Board or Superintendent may, within 20 days of receipt of the claim, either personally deliver or mail to the claimant, at the address stated in the claim or application, a notice stating with particularity the defects or omission in the claim. (Government Code 910.8, 915.4)

The Superintendent or Board shall not act upon the claim until at least 15 days after such notice is given. (Government Code 910.8)

Amendments to Claims

Claims may be amended within the time limits provided under the section entitled "Time Limitations" above or prior to final action by the Board, whichever is later, if the claim, as amended, relates to the same transaction or occurrence which gave rise to the original claim. (Government Code 910.6)

Action on Claims

Within 45 days after the presentation or amendment of a claim, the Board shall take action on the claim. This time limit may be extended by written agreement before the expiration of the 45-day period. If the 45-day period has expired, the time limit may be extended if legal action has not been commenced or barred by legal limitations. (Government Code 912.4)

The Board may act on the claim in one of the following ways: (Government Code 912.6)

1. If the Board finds that the claim is not a proper charge against the district, the claim shall be rejected.
2. If the Board finds that the claim is a proper charge against the district and is for an amount justly due, the claim shall be allowed.
3. If the Board finds that the claim is a proper charge against the district but is for an amount greater than is justly due, the Board shall either reject the claim or allow it in the amount justly due and reject it as to the balance.

Business and Noninstructional Operations

CLAIMS AND ACTIONS AGAINST THE DISTRICT

4. If legal liability of the district or the amount justly due is disputed, the Board may reject or compromise the claim.

If the Board allows the claim in whole or in part or compromises the claim and the claimant accepts the amount allowed or offered to settle the claim, the Board may require the claimant to accept it in settlement of the entire claim. (Government Code 912.6)

The Superintendent or designee shall transmit to the claimant written notice of action taken or inaction, which is deemed rejection. The notice shall be in the form set forth in Government Code 913 and shall either be personally delivered or mailed to the address stated in the claim or application. (Government Code 913, 915.4)

Regulation MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
approved: January 18, 2006 Manhattan Beach, California
reviewed: September 5, 2007
revised: June 2, 2010

Business and Noninstructional Operations

CLAIMS AND ACTIONS AGAINST THE DISTRICT

CLAIM FORM AGAINST MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Government Code Sections 910 and 910.2

Name of Claimant: _____

Address: _____

Phone Number: _____ (day) _____ (evening) _____

Date the injury/damage occurred: _____

Place the injury/damage occurred: _____

Describe how and under what circumstances the injury/damage occurred: _____

What particular action by the district and/or its employees caused the alleged damage or injury:
(List employee name(s), if known): _____

State the amount of the claim if it is less than \$10,000: \$ _____

Include the estimated amount of any prospective injury, damage or loss insofar as it may be known at the time this claim is presented and list the basis for the computation of the amount claimed:

If the dollar amount is more than \$10,000, no dollar amount shall be stated but please indicate whether the claim is a limited civil claim (total dollar amount less than \$25,000):

Limited Civil Case: Yes _____ No _____

Names, addresses and phone numbers of any witnesses, doctors, and hospitals: _____

Warning: It is unlawful to knowingly present or cause to be presented any false or fraudulent claim for payment of a loss or injury. Penal Code Section 500 provides that a person who files such a claim may be guilty of a felony punishable by imprisonment and by a fine not exceeding \$50,000

Signature: _____ Date: _____

Exhibit MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
version: January 18, 2006 Manhattan Beach, California
reviewed: September 5, 2007

NOTICE OF FAILURE TO USE DISTRICT'S CLAIM FORM
Government Code Section 910.4

TO: [Claimant]
[Address]

RE: Claim Filed [date]

The claim you presented to the Superintendent or designee on [date] is being returned because it was not presented on the district's claim form as required by Government Code Section 910.4 and in accordance with Board policy and administrative regulation. Because the claim was not presented on the district's form, no action was taken on the claim.

You may resubmit your claim using the district's claim form, which may be obtained at the district office. Note that your claim must still comply with the time limits in the Government Code specified for filing of such claims. For fur

Exhibit MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
version: January 18, 2006 Manhattan Beach, California
reviewed: September 5, 2007

NOTICE OF INSUFFICIENCY
Government Code Section 910.8

TO: [Claimant]
[Address]

RE: Claim Filed [date]

The claim presented by you on [date] fails to comply substantially with the requirements of Government Code Sections 910 and 910.2 or with the requirements of the district's claim form provided under Government Code Section 910.4. Specifically, your claim is insufficient because of the following defects or omissions:

Therefore, the claim is being returned to you without further action or consideration. If you wish to pursue this further, you should consult the Government Code or legal counsel.

The Governing Board will not take any action on the claim for a period of fifteen (15) days from the date of this notice.

Dated:

Signature

Typed Title of Officer

Exhibit MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
version: January 18, 2006 Manhattan Beach, California
reviewed: September 5, 2007

NOTICE OF FAILURE TO FILE IN A TIMELY MANNER
Government Code Section 911.3

TO: [Claimant]
[Address]

RE: Claim Filed [date]

The claim you presented to the Superintendent or designee on [date] is being returned because it was not presented within six months after the event or occurrence as required by law. See Sections 901 and 911.2 of the Government Code. Because the claim was not presented within the time allowed by law, no action was taken on the claim.

Your only recourse at this time is to apply without delay to Manhattan Beach Unified School District for leave to present a late claim. See Sections 911.4 to 912.2, inclusive, and Section 946.6 of the Government Code. Under some circumstances, leave to present a late claim will be granted. See Section 911.6 of the Government Code.

You may seek the advice of an attorney of your choice in connection with this matter. If you desire to consult an attorney, you should do so immediately.

Exhibit MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
version: January 18, 2006 Manhattan Beach, California
reviewed: September 5, 2007

DENIAL OF APPLICATION TO FILE A LATE CLAIM
Government Code Section 911.8

TO: [Claimant]
[Address]

RE: Claim Filed [date]

Your application to file a late claim presented on [date] has been denied. The Governing Board has determined that your claim does not satisfy one of the four conditions listed in Government Code Section 911.6.

WARNING

If you wish to file a court action on this matter, you must first petition the appropriate court for an order relieving you from the provisions of Government Code Section 945.4 (claims presentation requirement). See Government Code Section 945.6. Such petition must be filed with the court within six (6) months from the date your application for leave to present a late claim was denied.

You may seek the advice of an attorney of your choice in connection with this matter. If you desire to consult an attorney, you should do so immediately.

Exhibit MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

version: January 18, 2006 Manhattan Beach, California
reviewed: September 5, 2007

NOTICE OF ACTION TAKEN ON CLAIM
Government Code Section 913

Dear :

Notice is hereby given that the claim you presented to the Manhattan Beach Unified School District on [date] was [rejected, allowed, allowed in the amount of \$ and rejected to the balance, rejected by operation of law or other appropriate language, whichever is applicable] on [date of action or rejection by operation of law].

WARNING

Subject to certain exceptions, you have only six (6) months from the date this letter was personally delivered or deposited in the mail to file a court action on this claim. See Government Code Section 945.6.

You may seek the advice of an attorney of your choice in connection with this matter. If you desire to consult an attorney, you should do so immediately.

Dated:

Signature

Typed Title of Officer

Exhibit MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
version: January 18, 2006 Manhattan Beach, California
reviewed: September 5, 2007

G. BOARD BUSINESS

5. **TITLE:** First Reading and Approval of Revised Job Description for Campus Security Staff.

BACKGROUND: On May 7, 2010, the Personnel Commission approved a revision to the Campus Security Staff job description. The revision is submitted for your review and approval. It incorporates the job duties and requirements for a “Campus Security – Locker Room” staff member.

ACTION RECOMMENDED: Review and approve revised job description for Campus Security Staff.

PREPARED BY: Kathy Hall, Director, Human Resources

DATE OF MEETING: June 2, 2010

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

CAMPUS SECURITY STAFF

Campus Security – Grounds, Classrooms, Offices, Auditorium, Library, Cafeteria
Campus Security – Locker Room

DRAFT 5.7.10

DEFINITION

Under the general supervision of the school administrator(s), the campus security staff patrols campus buildings, fields, grounds and parking areas to enforce school rules; maintains a safe school environment and protects the safety and security of students, staff and property; and makes recommendations on security operations and procedures.

Campus Security – Grounds, Classrooms, Offices, Auditorium, Library, Cafeteria

EXAMPLE OF DUTIES

The tasks listed in this section are representative of duties assigned to positions in this class. This list is not intended to be an exhaustive list of all of the tasks assigned to positions in the class, and it is not expected that all of the tasks listed are necessarily assigned to all positions in the class.

- Supervises and monitors all student activities before, during and after school including athletic and co-curricular events, snack and lunch time activities. E
- Supervises and maintains order throughout all campus facilities, hallways, *and* restrooms. E
- Maintains order and performs other assigned duties in the cafeteria and/or outside eating areas and throughout the campus. E
- Renders first aid in an emergency. E
- Reports details of all accidents of any kind to a school administrator, principal or school office manager in order that a complete accident report will be prepared according to District regulations. E
- Knows and follows the established procedures in case of accidents or injuries. E
- Provides student and staff escort as directed. E
- Maintains constant radio communication. E
- Is alert to safety factors throughout the campus and reports unsafe conditions to supervisor. E
- Under administrator's supervision, questions students on safety, security and compliance with school rules. E
- Intervenes when pupils do not comply with school rules, in accordance with principal/teacher direction, e.g., through conflict resolution techniques, loss of privileges, or referral. E
- Prevents unlawful entry and exit. E
- Patrols campus on foot (including parking lots) to check for unauthorized persons and unsecured facilities, to prevent disruptive activities, property damage, and theft. E
- Questions strangers on campus and offers assistance as appropriate. E
- Inspects grounds and facilities for proper security and alarm operations. E
- Contacts appropriate administrators and law enforcement for support. E
- Responds to alarms and assists in investigation of suspected criminal incidents. E
- Confers with staff, students and law enforcement on security issues. E
- Reports and records incidents of student misbehavior, theft and accidents. E
- Support school and District security team in the identification of threats and problem areas, adjusts routes/times as necessary. E
- Remains current in security techniques, safety and school rules. E

Campus Security – Locker Room

EXAMPLE OF DUTIES

(The tasks listed in this section are representative of duties assigned to positions in this class. This list is not intended to be an exhaustive list of all the tasks assigned to positions in the class, and it is not expected that all the tasks listed are necessarily assigned to all positions in the class.)

- Patrol and monitor locker room area; insure safe and secure locker room facilities; **E**
- Check that all doors are kept closed as appropriate; lock and unlock locker room; **E**
- ~~Assign~~ Assist in the management of student lockers *and*, report misuse of lockers ~~to appropriate personnel; assist students with locks; distribute and collect locks;~~ assist with related functions; **E**
- Assure that non-authorized students are kept out of locker area; **E**
- Enforce safety measures and report any known safety hazards, conditions or unsafe practices to assure the health and safety of students; **E**
- Know and follow the posted established procedures in case of accidents or injury; **E**
- Report details of all accidents of any kind to a school administrator, principal or school office employee so that a complete accident report will be prepared according to District regulations; **E**
- Remain alert to safety factors in the locker room and related areas; report unsafe conditions to supervisor; **E**
- Report and record incidents of student misbehavior, theft and accidents; **E**
- Intervene when students do not comply with school rules, in accordance with school and District procedures; **E**
- Assist in maintaining inventory of athletic equipment and request replacements; **E**
- Perform routine clerical duties such as answering phones, taking messages;
- Assist in maintaining a safe, clean, sanitary, and orderly locker room, and adjacent learning environments. **E**
- Remain current in security techniques, safety and school rules; **E**
- Staff ~~Boy's~~ boys' locker room with male employee; **E**
- Staff ~~Girl's~~ girls' locker room with female employee. **E**

* **Tasks statements coded with the letter "E" are essential elements of positions in this class pursuant to the Americans with Disabilities Act, 1990.**

LICENSE REQUIRED (Applies to all positions related to Campus Security)

Possession of a valid and appropriate California Driver's License or California identification card.

Possession of valid First Aid and CPR certificates and attend blood pathogen training.

Automatic Electronic Defibrillator (AED) machine training. (Training provided by MBUSD within six (6) months following date of employment.)

SKILLS (Applies to all positions related to Campus Security)

Ability to speak a language in addition to English Spanish is desirable, but not required.

Ability to operate basic 2-way radio. **E**

QUALIFICATIONS

Knowledge of:	Ability to:
<ul style="list-style-type: none"> • District and school rules related to student behavior, school security, access and conduct on school grounds • Crowd control and intervention techniques • Conflict resolution techniques • Investigative and reporting procedures • Cultural differences and principles of good public relations • Simple record management, storage and retrieval processes and systems • Behavior, needs and characteristics of adolescents • Behavior management strategies and techniques including conflict resolution; • Basic safety rules; • CPR/First Aid; • AED (Automatic Electronic Defibrillator) machine usage; 	<ul style="list-style-type: none"> • Use good judgment when intervening in student behavior; be a positive role model to students; • Remain calm and objective in stressful and dangerous situations; respond appropriately to emergencies; • Recognize illegal activities, controlled substances and weapons; • Remember names, faces, behavior patterns and retain facts; • Recognize potentially dangerous situations and alert supervisor; • Establish and maintain effective working relationships with students, staff, parents, law enforcement agencies and the community; • Speak clearly and communicate tactfully and respectfully with students, faculty, staff and community; • Understand and carry out oral and written instructions; write basic reports; • Be flexible and adapt positively to change; • Handle student problems with patience and tact; use positive reinforcement to help build students' self esteem; • Take appropriate action to break up fights for self-protection and protection of others; • Work nights and weekends as necessary; • Perform CPR and simple first aid; • Use AED (Automatic Electronic Defibrillator) machine appropriately. • Ability to speak, read, and write English.

TRAINING, EXPERIENCE AND EDUCATION

Any combination of experience and training that would likely provide the required knowledge and skills is qualifying. Prior campus supervision or experience in security work, law enforcement or closely related field is desirable.

For the position of Campus Security—Locker Room a typical way to obtain the required knowledge and skills would be:

— Experience: At least six months paid or verifiable volunteer experience working with adolescent-age students in organized group activities, such as those sponsored by a department of parks and recreation, summer camps, YWCA, YMCA, etc.

Education: High School diploma or equivalent required. Prefer additional coursework or training in psychology, criminal justice, and education for the adolescent and special needs students.

PHYSICAL ABILITIES AND WORKING CONDITIONS OF CONTINUED EMPLOYMENT

The Physical Abilities and Other Conditions of Continued Employment and the Associated Tasks listed in this section are representative of, but are not intended to provide an exhaustive list of Physical Abilities and Other Conditions of Continued Employment and Associated Tasks which may be required of positions in this class. Manhattan Beach Unified School District encourages persons with disabilities who are interested in employment in this class and need reasonable accommodation of those disabilities to contact the Personnel Department for further information.

PHYSICAL DEMANDS	ASSOCIATED TASKS
<p>Vision: (which may be corrected)</p> <p>Read small print</p> <p>See small objects at a distance of 25 feet</p> <p>Use peripheral vision</p>	<p>To perform tasks such as to:</p> <p>Read; maintain accurate records</p> <p>Observe activities for potential dangers</p> <p>Supervise students</p>
<p>Hearing: (which may be corrected)</p> <p>Hear sounds which warn of potential danger</p> <p>Have tolerance to be exposed to noisy conditions</p>	<p>To perform tasks such as to:</p> <p>Respond to emergency situations and alert students and staff</p> <p>Perform duties in crowded situations; supervise groups of students in an enclosed area</p>
<p>Speech:</p> <p>Speak with a level of proficiency, clarity and volume to be understood in face-to-face public contact and at a distance of 50 feet and in conditions of high noise level</p>	<p>To perform tasks such as to:</p> <p>Maintain safety and crowd control; discipline students; guide student activities</p>
<p>Upper Body Mobility:</p> <p>Manipulate fingers, twist and bend hands at wrist and elbow</p> <p>Extend arms outward and upward</p> <p>Turn, raise, and lower head, twist and bend at torso</p>	<p>To perform tasks such as to:</p> <p>Perform first aid, write reports; assist with locks, locker, and equipment</p> <p>Store and retrieve equipment</p> <p>Perform CPR, apprehend or subdue persons as appropriate; view surroundings from different angles</p>
<p>Lower Body Mobility:</p> <p>Walk on uneven terrain</p> <p>Climb stairs</p> <p>Bend at waist, crawl and stoop</p>	<p>To perform tasks such as to:</p> <p>Patrol campus</p> <p>Patrol grandstands and multi-storey buildings</p> <p>Lift and move objects; maintain safe locker room</p>

<p>Stamina:</p> <p>Walk or stand for extended periods of time</p> <p>Climb flights of stairs</p> <p>Run quickly for brief spurts</p>	<p>To perform tasks such as to:</p> <p>Patrol campus</p> <p>Intervene in urgent situations; respond to emergencies</p>
<p>Strength:</p> <p>To lift, push, pull, and/or carry objects which weigh as much as 15-50 pounds on a frequent basis</p>	<p>To perform tasks such as to:</p> <p>Store equipment</p>
<p>Smell:</p> <p>Distinguish strong odors</p>	<p>To perform tasks such as to:</p> <p>Detect presence of controlled substances</p>
<p>Environmental Requirements:</p> <p>Exposure to sun, rain, wind</p> <p>Work independently</p>	<p>To perform tasks such as to:</p> <p>Supervise students out of doors</p> <p>Complete tasks without immediate supervision</p>
<p>Mental Requirements:</p> <p>Read, write, understand English</p> <p>Math skills at basic level</p> <p>Judgment</p> <p>Learn quickly and follow written/verbal procedures</p> <p>Process information quickly and make quick decisions</p> <p>Listen</p> <p>Demonstrate</p> <p>Give verbal/written instructions</p>	<p>To perform tasks such as to:</p> <p>Read manuals and policies, write reports, and maintain basic records</p> <p>Maintain equipment inventory</p> <p>Work with students, staff and community; avoid safety hazards; respond appropriately to emergencies</p> <p>Comply with District standards; assist staff</p> <p>Work safely and effectively with students</p> <p>Understand questions and concerns of students</p> <p>Model techniques for safety</p> <p>Supervise and discipline students</p>

Other Conditions of Continued Employment:

- Communicate clearly in written and oral English
- Participate in employer mandated training and retraining programs
- Comply with District dress standard
- Comply with rules and regulations of the Classified Service and provisions of labor agreements

MINIMUM QUALIFICATIONS

High School graduation or equivalent is required.

REPORTS TO: Principal or designee

Approved by Personnel Commission: 9/8/97 Revised: 5/7/10

Approved by Board of Trustee: 9/24/97 Revised: _____

G. BOARD BUSINESS

6. **TITLE:** Receive for Board action and review **REVISED** Board Policy and Administrative Regulation 1240, Volunteer Assistance

BACKGROUND: Policy and regulation revised to reflect **NEW LAW (AB 1025)** which, beginning July 1, 2010, requires any volunteer who supervises, directs, or coaches a student activity program sponsored by or affiliated with the district to obtain an Activity Supervisor Clearance Certificate from the Commission on Teacher Credentialing (CTC). Policy also deletes material re: directing volunteers to leave campus if they violate school rules, which repeated material in BP/AR 3515.2 - Disruptions. Regulation also clarifies prohibitions against registered sex offenders serving as volunteers and reflects **NEW LAW (AB 307)** which expands the circumstances under which registered sex offenders must disclose their status.

ACTION RECOMMENDED: Receive for Board action and review **REVISED** Board Policy and Administrative Regulation 1240, Volunteer Assistance

PREPARED BY: Kathy Hall, Director, Human Resources

DATE OF MEETING: June 2, 2010

AGENDA NOTE AGENDA NOTE AGENDA NOTE

VOLUNTEER ASSISTANCE

The Governing Board recognizes that volunteer assistance in schools can enrich the educational program, increase supervision of students, and contribute to school safety while strengthening the schools' relationships with the community. The Governing Board encourages parents/guardians and other members of the community to share their time, knowledge and abilities with students. ~~Volunteer assistance in schools enriches the educational program, enhances supervision of students and contributes to school safety while strengthening the schools' relationships with the community.~~ The Board also encourages community members to serve as mentors providing support and motivation to students.

(cf. 1000 - Concepts and Roles)
(cf. 1700 - Relations Between Private Industry and the Schools)
(cf. 4127/4227/4327 - Temporary Athletic Team Coaches)
(cf. 4222 - Teacher Aides/Paraprofessionals)
(cf. 5020 - Parent Rights and Responsibilities)
(cf. 5148 - Child Care and Development)
(cf. 5148.2 - Before/After School Programs)
(cf. 6020 - Parent Involvement)
(cf. 6171 - Title I Programs)

The Superintendent or designee shall develop and implement a plan for recruiting, screening and placing volunteers, including strategies for reaching underrepresented groups of parents/guardians and community members. He/she may also recruit community members to serve as mentors and/or make appropriate referrals to community organizations.

(cf. 1020 - Youth Services)
(cf. 1400 - Relations Between Other Governmental Agencies and the Schools)

~~The Superintendent or designee shall establish procedures to protect the safety of students and adults. These procedures shall include laws related to tuberculosis testing and may also include laws related to criminal record checks.~~

The Superintendent or designee shall establish procedures for determining whether volunteers possess the qualifications, if any, required by law and administrative regulation for the types of duties they will perform.

~~Volunteers shall be provided~~ *As appropriate, the Superintendent or designee shall provide volunteers* with information about school goals, programs, and practices and shall receive an orientation or other training related to their specific responsibilities. ~~as appropriate~~ Employees who supervise volunteers shall ensure that volunteers are assigned meaningful responsibilities that ~~capitalize on~~ *utilize* their skills and expertise and maximize their contribution to the educational program.

VOLUNTEER ASSISTANCE

Volunteer maintenance work shall be limited to those projects that do not replace the normal maintenance duties of classified staff. The Board nevertheless encourages volunteers to work on short-term projects to the extent that they enhance the classroom or school, do not significantly increase maintenance workloads, and comply with employee negotiated agreements.

Volunteers shall act in accordance with district policies, regulations and school rules. At their discretion, employees who supervise volunteers may ask any volunteer who violates school rules to leave the campus. Employees also may confer with the principal or designee regarding any such volunteers. The Superintendent or designee shall be responsible for investigating and resolving complaints regarding volunteers.

*(cf. 0410 - Nondiscrimination in District Programs and Activities)
(cf. 3515.2 - Disruptions)*

~~Volunteer maintenance work shall be limited to those projects that do not replace the normal maintenance duties of classified staff. The Board nevertheless encourages volunteers to work on short-term projects to the extent that they enhance the classroom or school, do not significantly increase maintenance workloads and comply with employee commitments and contracts.~~

~~Volunteer aides shall not be used to assist certificated staff in performing teaching or administrative responsibilities in place of regularly authorized classified employees who have been laid off. (Education Code 35021)~~

The Board encourages principals to develop a means for recognizing the contributions of each school's volunteers.

(cf. 1150 - Commendations and Awards)

The Superintendent or designee shall periodically report to the Board regarding the district's volunteer assistance program.

*Legal Reference:*EDUCATION CODE

8482-8484.6 After School Education and Safety program

8484.7-8484.9 21st Century Community Learning Center program

35021 Volunteer aides

35021.1 Automated records check

35021.3 Registry of volunteers for before/after school programs

44010 Sex offense; definition

44227.5 Classroom participation by college methodology faculty

44814-44815 Supervision of students during lunch and other nutrition periods

45125 Fingerprinting requirements

VOLUNTEER ASSISTANCE

Legal Reference: (continued)

45340-45349 Instructional aides

45360-45367 Teacher aides

49024 Activity Supervisor Clearance Certificate

49406 Examination for tuberculosis

GOVERNMENT CODE

~~3100-3109 Oath or affirmation of allegiance~~

3543.5 Prohibited interference with employees' rights

HEALTH AND SAFETY CODE

1596.871 Fingerprints of individuals in contact with child day care facility clients

LABOR CODE

1720.4 Public works; exclusion of volunteers from prevailing wage law

3364.5 Persons performing voluntary services for school districts

PENAL CODE

290 Registration of sex offenders

290.4 Information re sex offenders

290.95 Disclosure by person required to register as sex offender

CODE OF REGULATIONS, TITLE 22

101170 Criminal record clearance

101216 Health screening, volunteers in child care centers

UNITED STATES CODE, TITLE 20

6319 Qualifications and duties of paraprofessionals, Title I programs

ATTORNEY GENERAL OPINIONS

62 Ops. Cal. Atty. Gen. 325 (1979)

COURT DECISIONS

Whisman Elementary School District, 15 Public Employee Reporter for California, 22043-(1991) PERB Decision No. 868

Management Resources:

NATIONAL PTA PUBLICATIONS

National Standards for Parent/Family Involvement Programs, 1997

Building Successful Partnerships: A Guide for Developing Parent and Family Involvement Programs, 2000

WEB SITES

California PTA: <http://www.eapta.org>

National PTA: <http://www.pta.org>

California Partners in Education: <http://www.capie.org>

National Coalition for Parent Involvement in Education: <http://www.ncpie.org>

U.S. Department of Education, Partnership for Family Involvement in Education: <http://pfie.ed.gov>

CDE: <http://www.cde.ca.gov>

California Department of Justice, Megan's Law mapping: <http://www.meganslaw.ca.gov>

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

California Department of Education, Parents/Family and Community: <http://www.cde.ca.gov/ls/pf>

California Department of Justice, Megan's Law: <http://www.meganslaw.ca.gov>

California Parent Teacher Association: <http://www.capta.org>

National Coalition for Parent Involvement in Education: <http://www.ncpie.org>

National Parent Teacher Association: <http://www.pta.org>

Policy

adopted: March 16, 2005

reviewed: September 5, 2007

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

Manhattan Beach, California

revised:

Community Relations

AR 1240 (a)

VOLUNTEER ASSISTANCE

Duties of Volunteers

Volunteers may assist certificated personnel in the performance of their duties, in the supervision of students, and in instructional tasks, which, in the judgment of the certificated personnel to whom the instructional-aide *which the volunteer* is assigned, may be performed by a person not licensed as a classroom teacher. These duties shall not include assignment of grades to students. (Education Code 45343, 45344, 45349)

(cf. 4222 - Teacher Aides/Paraprofessionals)

(cf. 5148 - Child Care and Development)

(cf. 5148.2 - Before/After School Programs)

Volunteers may supervise students during lunch, and/or breakfast, *or other nutritional* periods or may serve as nonteaching aides under the immediate supervision and direction of certificated personnel to perform noninstructional work which assists certificated personnel in the performance of teaching and administrative responsibilities. (Education Code 35021, 44814, 44815)

Volunteers may work on short-term facilities projects pursuant to ~~Governing Board~~ policy and ~~administrative regulation~~, *and the section below entitled "Volunteer Facilities Projects."*

Qualifications of Volunteers

Volunteers providing supervision or instruction of students pursuant to Education Code 45349 shall give evidence of basic skills proficiency. (Education Code 45344.5, 45349)

(cf. 4212 - Appointment and Conditions of Employment)

Beginning July 1, 2010, any volunteer who supervises, directs, or coaches a student activity program shall be required to obtain an Activity Supervisor Clearance Certificate from the Commission on Teacher Credentialing. Student activity programs include, but are not limited to, scholastic programs, interscholastic programs, and extracurricular activities sponsored by the district or a school booster club, such as cheer team, drill team, dance team, and marching band. This requirement shall not apply to volunteer supervisors for breakfast, lunch, or other nutritional periods or to volunteer nonteaching aides under the immediate supervision and direction of certificated personnel pursuant to Education Code 35021. (Education Code 49024)

(cf. 4127/4227/4327 - Temporary Athletic Team Coaches)

(cf. 6145 - Extracurricular and Cocurricular Activities)

VOLUNTEER ASSISTANCE

~~A person who is required to register as a sex offender pursuant to Penal Code 290 shall not serve as a volunteer instructional aide or as a volunteer nonteaching aide under the direct supervision of a certificated employee. (Education Code 35021) *The Superintendent or designee shall not assign any person required to register as a sex offender pursuant to Penal Code 290 as a volunteer who assists certificated personnel in the performance of their duties; supervises students during lunch, breakfast, or other nutritional period; or serves as a nonteaching aide to perform noninstructional tasks. In addition, a person who is required to register as a sex offender because of a conviction for a crime where the victim was a minor under age 16 shall not serve as a volunteer in any capacity in which he/she would be working directly and in an unaccompanied setting with minors on more than an incidental and occasional basis or have supervision or disciplinary power over minors. (Education Code 35021, 45349; Penal Code 290.95)*~~

~~(cf. 3515.5 - Sex Offender Notification)~~

~~The Superintendent or designee shall verify by reasonable means that persons serving as volunteer instructional aides and nonteaching volunteer aides are not required to register as a sex offender pursuant to Penal Code 290.~~

~~(cf. 3515.5 - Sex Offender Notification)~~

The Superintendent or designee may require all volunteers to disclose their status as a registered sex offender and/or provide the district with sufficient information in order to allow verification of this status on the Department of Justice's Megan's Law web site.

No volunteer shall be assigned to provide supervision or instruction of students unless he/she has submitted evidence of an examination within the past 60 days to determine that he/she is free of active tuberculosis. Volunteers who skin test negative shall thereafter be required to take a tuberculosis test every four years in accordance with Education Code 49406. (Education Code 45106, 45347, 45349, 49406)

The Superintendent or designee may exempt from tuberculosis testing requirements those volunteers who serve less than a school year and whose functions do not require frequent or prolonged contact with students. (Education Code 49406)

~~(cf. 4112.4/4212.4/4312.4 - Health Examinations)~~

The Superintendent or designee may exempt from tuberculosis testing requirements those volunteers who serve less than a school year and whose functions do not require frequent or prolonged contact with students. (Education Code 49406)

VOLUNTEER ASSISTANCE

Volunteer Facilities Projects

All volunteer facilities projects shall have approximate start and completion dates and must be approved by the principal in advance.

Projects approved by the principal shall also be approved in advance by the Superintendent or designee if they involve the following types of work:

1. Alterations, additions or repairs to buildings and grounds
2. Construction involving wall or roof penetration, drilling or nailing
3. Structural modifications
4. Electrical, electronic, plumbing, or heating and cooling work
5. Painting
6. Installation of carpet
7. Installation of playground equipment and benches
8. Installation of sprinkler systems
9. Paving
10. Installation of marquees and signs
11. Tree planting, pruning or removal

The Superintendent or designee shall ensure that volunteers possess the appropriate license and/or have sufficient expertise appropriate to the project. He/she shall also ensure that such projects comply with building and safety codes and other applicable laws and collective bargaining agreements. The district shall provide on-site assistance and supervision for such projects as necessary. Projects shall be inspected upon completion to ensure that the work was done satisfactorily.

(cf. 3514 - Environmental Safety)
(cf. 3514.1 - Hazardous Substances)
(cf. 7111 - Evaluating Existing Buildings)
(cf. 7140 - Architectural and Engineering Services)

Regulation
approved: March 16, 2005
reviewed: September 5, 2007
reviewed:

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Manhattan Beach, California

G. BOARD BUSINESS

7. **TITLE:** Receive for Board review REVISED Administrative Regulation 4112.4/4212.4/4312.4, Health Examinations.

BACKGROUND: Manhattan Beach Unified District Administrative Regulation 4112.4/4212.4/4312.4, Health Examinations, is presented as a **REVISED REGULATION** for Board review. This regulation has been revised to update the section entitled "Medical Certification for Communicable Diseases for Certificated Employees" to reflect **NEW LAW (SB 171)** which expands the list of individuals authorized to issue the required medical certification to potential employees to include physician assistants, registered nurses, and commissioned medical officers.

FINANCIAL IMPACT: None

ACTION: Receive for Board review REVISED Administrative Regulation 4112.4/4212.4/4312.4, Health Examinations.

PREPARED BY: Kathy Hall, Director, Human Resources

DATE OF BOARD MEETING: June 2, 2010

AGENDA NOTE AGENDA NOTE AGENDA NOTE

Personnel

AR 4112.4(a)
AR 4212.4
AR 4312.4

Health Examinations

Tuberculosis Tests

No classified or certificated applicant shall be initially employed, *unless within the past 60 days, he/she has placed on file with the district a certificate from a physician licensed under the Business and Professions Code indicating that a tuberculosis examination within the past 60 days shows that he/she is free from active tuberculosis has submitted to an intradermal or other tuberculin test licensed by the Food and Drug Administration 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 the examining licensed physician indicating that he/she is free of active tuberculosis.* (Education Code 49406; 5 CCR 5503)

Applicants shall pay for the cost of the pre-employment tuberculosis examination.

An applicant who was previously employed in another California school district 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 the *his/her previous* school district *employer* that last employed him/her verify that it has on file a certificate which contains that evidence. (Education Code 49406)

Every district Employees who test negative on the initial tuberculin skin test shall undergo a tuberculosis examination at least once every four years. However, upon recommendation of the county health officer, the district may order more frequent testing, *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.* (Education Code 49406)

Tuberculosis tests for employees shall be provided by the district or at district expense. (Education Code 44839, 45122, 49406)

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 any 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 Governing Board shall determine by resolution, after a hearing, that the health of students would not be jeopardized. (Education Code 49406)

Personnel

AR 4112.4(b)
AR 4212.4
AR 4312.4

Health Examinations

Tuberculosis Tests *(continued)*

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. (Education Code 49406)

The Superintendent or designee may exempt a pregnant employee from the requirement that a positive tuberculin test be followed by an X-ray of the lungs, for a period not to exceed 60 days following termination of the pregnancy. (Education Code 49406)

Medical Certification for Communicable Diseases for Certificated Employees

~~When a new employee in a position requiring certification~~ *The Board shall not fill a position requiring certification with an applicant* who has not previously been employed in such a *certificated* position in California or a retirant *who* has not previously been employed as a retirant, ~~he/she shall have a medical certificate~~ *unless the district has on file a medical certification completed and submitted by a physician, physician assistant, registered nurse, or commissioned medical officer. (Education Code 44839 and 44839.5)*

(cf. 4117.14/4217.14 - Postretirement Employment)

~~with the district stating that he/she~~ *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 certificate shall be completed by a licensed physician and returned to the district by the physician.~~ The medical examination referred to in the certificate must have been conducted within six months of the time when the certificate is filed. (Education Code 44839, 44839.5; 5 CCR 5503)

(cf. 4119.41/4219.41/4319.41 - Employees with Infectious Disease)

Applicants and retirants shall pay for the cost of the medical certification examination. (Education Code 44839, 44839.5)

The Board may require a certificated employee or retirant to undergo a periodic medical examination by a physician to determine that the employee is free from any communicable disease making him/her unfit to instruct or associate with children. This periodic medical examination shall be at district expense. (Education Code 44839, 44839.5)

Personnel

AR 4112.4(c)
AR 4212.4
AR 4312.4

Health Examinations

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.*

*(cf. 4032 - Reasonable Accommodation)
(cf. 4118 - Suspension/Disciplinary Action)*

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 ~~psychiatric examination; mandatory sick leave~~
- 45122 Physical examinations
- 49406 Examination for tuberculosis

BUSINESS AND PROFESSIONS CODE

- 2700-2838 Nurses
- 3500-3503.5 Physician assistants

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

COURT DECISIONS

- Leonel v. American Airlines, Inc., (2005) 400 F.3d. 702*
- Raven v. Oakland Unified School District (1989) 213 Cal.App.3d 1347*

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>*

Regulation
approved: September 5, 2007
reviewed:

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Manhattan Beach, California

G. BOARD BUSINESS

8. **TITLE:** Receive for Board review NEW Administrative Regulation 4117.11/ 4217.11/ 4317.11, Preretirement Part-Time Employment.

BACKGROUND: Manhattan Beach Unified District Administrative Regulation 4117.11/ 4217.11/4317.11, Preretirement Part-Time Employment, is presented as a **NEW REGULATION** for Board review. The **MANDATED** regulation authorizes the Superintendent or designee to determine workload reductions on a case-by-case basis. It also reflects **NEW LAW (SB 634)** which clarifies certain requirements under which employees who reduce their workloads may maintain the retirement and health and welfare benefits they would have received if employed full time, including requirements pertaining to the number of years of prior full-time service and to absences that constitute a break in service.

FINANCIAL IMPACT: None

ACTION: Receive for Board review NEW Administrative Regulation 4117.11/ 4217.11/ 4317.11, Preretirement Part-Time Employment.

PREPARED BY: Kathy Hall, Director, Human Resources

DATE OF BOARD MEETING: June 2, 2010

AGENDA NOTE

AGENDA NOTE

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Personnel

AR 4117.11(a)
AR 4217.11
AR 4317.11

Preretirement Part-Time Employment

On a case-by-case basis, the Superintendent or designee may allow a certificated employee to reduce his/her workload from full time to part time when doing so does not disrupt the educational program and is in the best interests of the district.

A certificated employee who is a member of the defined benefit program of the California State Teachers' Retirement System (STRS) and who reduces his/her workload to part time may maintain the retirement and health and welfare benefits that he/she would have received if employed on a full-time basis under the following conditions: (Education Code 22713, 44922)

(cf. 4154/4254/4354 - Health and Welfare Benefits)

1. The option to reduce the employee's workload shall be exercised at the request of the employee and can be revoked only with the mutual consent of the Superintendent or designee and the employee. The agreement to reduce the workload shall be in effect at the beginning of the school year.
2. Prior to the reduction in workload, the employee shall have performed creditable service on a full-time basis for a minimum of 10 years, of which the immediately preceding five years were full-time employment.
3. The employee shall not have had a break in service during the five years immediately preceding the reduction in workload. Sabbaticals, other approved leaves of absence, and unpaid absences for personal reasons from full-time employment shall not constitute a break in service. However, the period of time during which a member is retired shall constitute a break in service and an employee who reinstates from retirement shall be required to be employed in creditable service on a full-time basis for at least five school years preceding the workload reduction.

(cf. 4161.1/4361.1 - Personal Illness/Injury Leave)

4. The employee shall have reached the age of 55 years prior to the workload reduction.
5. The employee shall not hold a position with a salary above that of a school principal.
6. The period of the reduced workload shall not exceed 10 years.
7. The reduced workload shall be equal to at least one-half of the full-time equivalent required by the employee's contract of employment in accordance with Education Code 22138.5 during his/her final year of full-time employment.

Personnel

AR 4117.11(b)
AR 4217.11
AR 4317.11

Preretirement Part-Time Employment

8. The employee shall be paid compensation that is the pro rata share of the compensation the employee would have earned had he/she not opted to reduce his/her workload.

Prior to the reduction of an employee's workload, the Superintendent or designee shall verify the employee's eligibility in conjunction with the administrative staff of STRS and/or the Public Employees' Retirement System. (Education Code 22713)

The Superintendent or designee shall maintain the necessary records to separately identify each employee who participates in the reduced workload program. (Education Code 22713)

Legal Reference:

EDUCATION CODE

22119.5 *Creditable service, definition*

22138.5 *Full-time, definition*

22713 *Part-time employment; reduction of workload from full-time; credit*

44922 *Regulations; reduction to part-time employment*

GOVERNMENT CODE

21110-21120 *Reduced workload, partial service retirement under PERS*

53201 *Health and welfare benefits: election by officers and employees*

Management Resources:

WEB SITES

California Public Employees' Retirement System: <http://www.calpers.ca.gov>

California State Teachers' Retirement System: <http://www.calstrs.com>

Regulation
reviewed:

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Manhattan Beach, California

G. BOARD BUSINESS

9. **TITLE:** Receive for Board review REVISED Administrative Regulation 4117.14/4317.14, Postretirement Employment.

BACKGROUND: Manhattan Beach Unified District Administrative Regulation 4117.14/4317.11, Postretirement Employment, is presented as a **REVISED REGULATION** for Board review. The Regulation is revised to reflect **NEW LAW (AB 506)** which, beginning July 1, 2010, prohibits any certificated employee retiring below age 60 from receiving compensation for creditable service for at least six months following his/her retirement. The Regulation also reflects provisions of AB 506 which (1) specifies a deadline for submission of proof of eligibility of an employee for exemption from the postretirement compensation limitation, (2) extends the sunset date for exemptions from the limitation to June 30, 2012, and (3) prohibits the granting of an exemption from the limitation to a retired certificated individual who is hired in an emergency situation to fill an administrative vacancy, when the vacancy is caused by his/her own retirement.

FINANCIAL IMPACT: None

ACTION: Receive for Board review REVISED Administrative Regulation 4117.14/4317.14, Postretirement Employment.

PREPARED BY: Kathy Hall, Director, Human Resources

DATE OF BOARD MEETING: June 2, 2010

AGENDA NOTE

AGENDA NOTE

AGENDA NOTE

Personnel

AR 4117.14(a)
AR 4317.14

Post Retirement Employment

~~The Superintendent or designee may utilize~~ *The Governing Board may hire* retired certificated individuals who possess unique knowledge and experience to perform specialized work of a limited duration.

A retired certificated individual, who is a member of State Teachers' Retirement System (STRS), and ~~retained~~ *who is hired* by the district to perform services pursuant to this administrative regulation, shall not make contributions to the retirement fund or accrue service credit based on compensation earned from ~~program~~ *that* service. (Education Code 24214)

Postretirement Compensation Limitation

A retired individual retained under this program shall be paid at a rate commensurate with that of other employees performing comparable duties. ~~The retired individual may earn compensation for creditable service up to the limitation specified by law. This limit applies only to earnings for service that would be creditable for State Teachers' Retirement System (STRS) purposes if performed by a current employee.~~ (Education Code 22119.5, 24214, 35046)

Beginning July 1, 2010, any certificated individual who is a member of STRS and who retires from service below normal retirement age shall not be hired for service pursuant to this administrative regulation for at least six calendar months after his/her retirement from service. (Education Code 24214.5)

Postretirement Compensation Limitation

Upon retaining the services of a retired individual as a district employee, employee of a third party, or an independent contractor, the Superintendent or designee shall: (Education Code 22461, 24214)

1. Advise the retired individual of the earnings limitation set forth in Education Code 24116, 24214, and 24215
2. Maintain accurate records of the retired individual's earnings and report those earnings monthly to the STRS and the individual regardless of the method of payment or the fund from which the payments are made

Personnel

AR4117.14(b)
AR4317.14

Post Retirement Employment

When retaining a retired individual eligible for any of the exemptions *from the postretirement compensation limitation* stated below, the Superintendent or designee shall submit to STRS, *no later than June 30 of the school year for which the exemption is to apply*, all required documentation to substantiate eligibility for the exemption. (Education Code 24216, **24216.5, 24216.6**)

Exemption for Providing Specified Instructional Services

Until June 20, 2010~~2~~, any retired certificated individual employed by the district shall be exempt from the compensation limitation for members of STRS provided that he/she retired from service with an effective date on or before January 1, 2007~~9~~ and is employed to provide any of the following services: (Education Code 24216.5, 24216.6)

1. Direct classroom instruction to students in grades K-12
2. Support and assessment for new teachers through the Beginning Teacher Support and Assessment System pursuant to Education Code 44279.1-44279.7

(cf. 4131.1 - Beginning Teacher Support/Induction)

3. Support to individuals completing student teaching assignments
4. Support to individuals participating in an alternative certification program (Education Code 44386), or a school paraprofessional teacher training program (Education Code 44390-44393)

(cf. 4112.21 - Interns)

(cf. 4222 - Teacher Aides/Paraprofessionals)

5. Instruction and student services provided to students enrolled in special education programs pursuant to Education Code 56000-56885

(cf. 4112.23 - Special Education Staff)

6. Instruction to students enrolled in English language learner programs pursuant to Education Code 400-410 and 430-446

(cf. 4112.22 - Staff Teaching Students of Limited English Proficiency)

Personnel

AR 4117.14(c)
AR 4317.14

Post Retirement Employment

7. Direct remedial instruction to students in grades 2-12 for the programs specified in Education Code 37252 and 37252.2

(cf. 5123 - Promotion/Acceleration/Retention)
(cf. 6179 - Supplemental Instruction)

Retired individuals who are exempt from the limitation on earnings shall be treated as part of a distinct class of temporary employees within the existing bargaining unit whose service may not be included in computing the service required as a prerequisite to attainment of or eligibility for classification as a permanent employee of the district. (Education Code 24216.5, 24216.6)

The compensation for the class of retired individuals shall be agreed to in the collective bargaining agreement between the district and the exclusive representative for the bargaining unit. (Education Code 24216.5, 24216.6)

Exemption for Emergency Situations or Appointment as a Trustee/Administrator

A retired certificated individual shall be exempt from the postretirement compensation limitation for a maximum period of two years if he/she is appointed by the Superintendent of Public Instruction as a trustee or administrator pursuant to Education Code 41320.1, appointed as a trustee pursuant to the Immediate Intervention/Underperforming Schools Program or the High Priority Schools Grant Program, or assigned to a position by the County Superintendent of Schools pursuant to Education Code 42122-42129. (Education Code 24216)

(cf. 0520.1 - High Priority Schools Grant Program)

Until June 30, 2010~~2~~, a retired individual shall be exempt from the postretirement compensation limitation up to an additional one-half of the full-time position when employed in an emergency situation to fill a vacant administrative position requiring highly specialized skills, provided that all of the following conditions are met: (Education Code 24216)

1. The vacancy occurred due to circumstances beyond the district's control.
2. The recruitment process to fill the vacancy on a permanent basis is expected to extend over several months.
3. The employment is reported in a public meeting of the Governing Board.
4. ***The retired individual's termination of employment with the district is not the basis for the vacant administrative position.***

(cf. 9320 - Meetings and Notices)

Personnel

AR 4117.14(d)
AR 4317.14

Post Retirement Employment

The above exemptions shall not apply to any individual who has received additional retirement service credit pursuant to Education Code 22715 or 22716. A retiree who has received an additional service credit pursuant to Education Code 22714 or 22714.5 shall be ineligible for the above exemptions for one year from his/her effective date of retirement for service performed in any California district, community college district, or county office of education. (Education Code 24216)

(cf. 4117.13/4317.13 - Early Retirement Option)

Consultancy Contracts

A retired certificated employee serving as a consultant shall be retained as an employee and his/her service shall be limited in accordance with retirement system rules and regulations. (Education Code 35046)

To be eligible for consideration for a consultancy contract, a retired certificated employee must have served the district or the County Superintendent for at least 10 years and be at least 55 years of age. (Education Code 35046)

Retirement consultancy contracts are renewable annually for up to five years or until the employee reaches age 65, whichever comes first. (Education Code 35046)

Legal Reference:

EDUCATION CODE

400-410 *English language acquisition program*
430-446 *English Learner and Immigrant Student Federal Conformity Act*
22119.5 *Creditable service, definition*
22461 *Notice of earnings limitation*
22714 *Encouragement of retirement*
22714.5 *2+2 service and year credit option under STRS*
22715 *Additional service credit*
22716 *Unpaid services*
24116 *Service at California State University*
24214 *Creditable service by retiree; members below normal retirement age*
24215 *Service at California State University*
24216 *Payments to retirants in excess of limitation*
24216.5 *Exemption from earnings limitation*
24216.6 *Exemption from earnings limitation*
35046 *Consultancy contracts*
37252-37254.1 *Supplemental instruction*
41320.1 *Appointment of trustee*
42120-42129 *Budget completion*
44279.1-44279.7 *Beginning Teacher Support and Assessment Program*

Personnel

AR 4117.14(e)
AR 4317.14

Post Retirement Employment

Legal Reference: (continued)

EDUCATION CODE

- 44380-44386 Alternative certification program*
- 44390-44393 School paraprofessional teacher training program*
- 44830 Employment of certificated employees*
- 44830.3 Employment of district interns*
- 44929 Service credit under STRS; additional two years*
- 44929.1 2+2 service and year credit option under STRS*
- 52053-52055.55 Immediate Intervention/Underperforming Schools Program*
- 52055.600-52055.662 High Priority Schools Grant Program*
- 56000-56885 Special education*

Management Resources:

WEB SITES

California State Teachers' Retirement System: <http://www.calstrs.com>

Regulation
approved: September 5, 2007
revised: May 6, 2009
reviewed:

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Manhattan Beach, California

G. BOARD BUSINESS

10. **TITLE:** Review **REVISED** Administrative Regulation 4154/4254/4354, Health and Welfare Benefits

BACKGROUND: The updated regulation (section on "Temporary Subsidized Premium for COBRA/Cal-COBRA") reflects **NEW FEDERAL LAW (P.L. 111-144)** which extends eligibility for the subsidized COBRA/Cal-COBRA premium to include employees (1) who were involuntarily terminated (other than by reason of gross misconduct) between September 1, 2008, and March 31, 2010, or (2) whose COBRA eligibility was caused by a reduction in hours and who subsequently experienced an involuntary termination between March 2, 2010, and March 31, 2010. It also reflects **NEW FEDERAL LAW (P.L. 111-118)** which extends the period of the subsidy to 15 months.

FISCAL IMPACT: None

ACTION RECOMMENDED: Review **REVISED** Administrative Regulation 4154/4254/4354, Health and Welfare Benefits

PREPARED BY: Kathy Hall, Director, Human Resources

DATE OF MEETING: June 2, 2010

AGENDA NOTE AGENDA NOTE AGENDA NOTE

Health and Welfare Benefits

AR 4154 (a)
4254
4354

Personnel

Retired Certificated Employees

Any former certificated employee who retired from the district under any public retirement system and his/her spouse/domestic partner shall be permitted to enroll in the health and welfare and/or dental care benefit plan currently provided for certificated employees. The plan also shall be available to any surviving spouse/domestic partner of a former certificated employee who either retired from the district or was, at the time of death, employed by the district and a member of the State Teachers' Retirement System. (Education Code 7000)

A retired certificated employee or surviving spouse/domestic partner shall be allowed to enroll in the coverage within 30 days of losing active employee coverage. (Education Code 7000)

If a retired certificated employee or surviving spouse/domestic partner fails to enroll during the initial enrollment period, further opportunity to do so shall be denied. A person who has previously received but then voluntarily terminated coverage also shall be excluded from obtaining further coverage.

COBRA/Cal-COBRA Continuation Coverage

Covered district employees and their qualified beneficiaries shall be offered the opportunity to continue health and disability insurance coverage when they otherwise would lose coverage due to one of the following qualifying events: (Health and Safety Code **1366.21**, 1366.23, **1373**; Insurance Code 10128.51; 10128.53; 10277; 26 USC 4980B; 26 CFR 54.4980B-4)

1. Death of the covered employee
2. Termination or reduction in hours of the covered employee's employment, other than termination by reason of the employee's gross misconduct

(cf. 4117.4 - Dismissal)

(cf. 4218 - Dismissal/Suspension/Disciplinary Action)

3. Divorce or legal separation of the covered employee
4. Covered employee's becoming entitled to Medicare benefits
5. A dependent child ceasing to be a dependent child of the covered employee

Continuation health coverage shall be the same as provided to similarly situated individuals under the group benefit plan. (Health and Safety Code 1366.23; Insurance Code 10128.53; 26 USC 4980B)

Health and Welfare Benefits

AR 4154 (b)

4254

4354

Personnel

Retired Certificated Employees

The Superintendent or designee shall ~~notify~~ **provide written notification** to the health care service plan administrator of a qualifying event listed in item #1, 2 or 4 above, within 30 days of the event. A covered employee or qualified beneficiary shall ~~notify~~ **provide written notification to the health care service plan administrator of a qualifying event listed in item #3 or 5 above regarding any other qualifying event listed above** within 60 days of the event or of the date that the beneficiary would lose coverage, **the covered employee or qualified beneficiary was notified of the ability to continue coverage**, whichever is later. (~~26 USC 4980B; 29 USC 1163, 1166~~) (*Health and Safety Code 1366.24, 1366.25; Insurance Code 10128.54, 10128.55*)

Continuation coverage shall be terminated in accordance with the district's insurance plan and in accordance with ~~26 USC 4980B and 26 CFR 54.4980B-6~~ **state law.** (*Health and Safety Code 1366.22, 1366.27, 1373.261; Insurance Code 10116.5, 10128.52, 10128.57*)

The Superintendent or designee shall notify covered employees and qualified beneficiaries of the availability of conversion and continuation coverage. This notification shall include the statement in Labor Code 2800.2 encouraging individuals to examine their options carefully before declining such coverage. (Labor Code 2800.2)

(cf. 4112.9/4212.9/4312.9 - Employee Notifications)

~~However, a former employee who, prior to January 1, 2005, worked for the district for at least five years and who was age 60 or older on the date employment ended, or his/her qualified beneficiaries which includes dependent children or spouse/former spouse/domestic partner, may continue benefits until the earlier of any of the following events: (Health and Safety Code 1373.621; Insurance Code 10116.5)~~

- ~~1. The date the individual reaches age 65~~
- ~~2. The date the individual is covered under any other group health plan not maintained by the district, regardless of whether that coverage is less valuable~~
- ~~3. The date the individual becomes entitled to Medicare benefits~~
- ~~3. For a qualified beneficiary, five years from the date on which continuation coverage was scheduled to end for the qualified beneficiary~~
- ~~5. The date on which the district terminates its agreement with the health service plan and ceases to provide coverage for any active employees through that plan, in which case the former employee and/or his/her qualified beneficiary shall have a right to a conversion plan.~~

Health and Welfare Benefits

AR 4154 (c)

4254

4354

Personnel

Retired Certificated Employees

~~The Superintendent or designee shall notify covered employees and qualified beneficiaries of the availability of conversion and continuation coverage. This notification shall include the statement in Labor Code 2800.2 encouraging individuals to examine their options carefully before declining such coverage. (Labor Code 2800.2)~~

~~(cf. 4112.9/4212.9/4312.9 -- Employee Notifications)~~

Temporary Subsidized Premium for COBRA/Cal-COBRA

~~Employees whose employment is involuntarily terminated, other than by reason of gross misconduct, between September 1, 2008, and December 31, 2009, and their qualified beneficiaries shall pay 35 percent of the premium amount they would otherwise be required to pay for health care continuation coverage, with the remainder to be subsidized through the American Recovery and Reinvestment Act. (26 USC 6432; Health and Safety Code 1366.25; Insurance Code 10128.55)~~

~~The premium reduction shall apply until one of the following dates, whichever comes first: (26 USC 6432 Note)~~

- ~~1. Nine months after the first day of the first month for which the premium reduction applies to the assistance-eligible individual~~
- ~~2. The first date that the assistance-eligible individual becomes eligible for Medicare coverage or other group health plan coverage, with certain exceptions specified in law~~
- ~~3. The date the assistance-eligible individual ceases to be eligible for continuation coverage for other reasons as noted in the section "Continuation of Coverage" above.~~

Under either of the following circumstances, a former employee and his/her qualified beneficiaries shall pay 35 percent of the premium amount they would otherwise be required to pay for health care continuation coverage: (26 USC 139C, 6432 Note; Health and Safety Code 1366.25; Insurance Code 10128.55)

- 1. The employee is involuntarily terminated, other than by reason of gross misconduct, between September 1, 2008 and March 31, 2010, or a later date if extended by law.*

Health and Welfare Benefits

AR 4154 (d)

4254

4354

Personnel

Retired Certificated Employees

2. *The employee's eligibility for continuation coverage is due to a reduction in hours and he/she subsequently experiences an involuntary termination between March 2, 2010 and March 31, 2010, or a later date if extended by law*

The district shall seek reimbursement of district payments toward the normal employee share of the premium as allowed by law. (26 USC 139C, 6432; Health and Safety Code 1366.25; Insurance Code 10128.55)

The premium reduction shall apply until one of the following dates, whichever comes first: (26 USC 6432 Note)

1. *Fifteen months after the first day of the first month for which the premium reduction applies to the assistance eligible individual*
2. *The first date that the assistance eligible individual becomes eligible for Medicare coverage or other group health plan coverage, with certain exceptions specified in law*
3. *The date the assistance eligible individual ceases to be eligible for continuation coverage for other reasons as noted in the section "Continuation of Coverage" above*

Because the premium reduction will be offset by an increase in income tax liability for individuals who earn more than \$125,000 for the tax year (or \$250,000 for married couples filing a joint federal income tax return), such individuals may choose to permanently waive their right to the subsidy. (26 USC 139C)

~~The Superintendent or designee shall, within 14 days of receiving notice of the qualifying event, notify assistance eligible individuals of the availability of the subsidy and the option to enroll in different coverage if the district permits assistance eligible individuals to elect enrollment in different coverage. Assistance eligible individuals shall have 60 days from the date the notice is provided to elect coverage. (26 USC 6432 Note; Health and Safety Code 1366.24, 1366.25; Insurance Code 10128.55)~~

~~In order to receive reimbursement of district payments toward the normal employee share of the premium as allowed by law, the Superintendent or designee shall maintain records regarding assistance eligible individuals and the amounts paid by the district in accordance with 26 USC 6432.~~

Health and Welfare Benefits

AR 4154 (e)
4254
4354

Personnel

Retired Certificated Employees

Disability Insurance

The Superintendent or designee shall give notice of disability insurance rights and benefits to each new employee and each employee leaving work due to pregnancy, non-occupational illness or injury, or the need to provide care for any sick or injured family member, or the need to bond with a minor child within the first year of the child's birth or placement in connection with foster care or adoption. (Unemployment Insurance Code 2613)

- (cf. 4157.1/4257.1/4357.1 - Work-Related Injuries)*
- (cf. 4161/4261 - Leaves)*
- (cf. 4161.1/4361.1 - Personal Illness/Injury Leave)*
- (cf. 4161.8/4261.8/4361.8 - Family Care and Medical Leave)*
- (cf. 4261.1 - Personal Illness and Injury Leave)*

When disabled by an injury resulting from a violent act sustained while performing his/her job duties ***within the scope of employment and performing creditable employment***, a certificated or classified employee may continue in the district health and dental care plans upon meeting criteria specified by law. The employee shall pay all employer and employee premiums and related administrative costs. (Education Code 7008)

Regulation
approved: September 5, 2007
reviewed: November 18, 2009
reviewed:

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Manhattan Beach, California

G. BOARD BUSINESS

11. **TITLE:** Approve and review **REVISED** Board Policy and Administrative Regulation 4127/4227/4327, Temporary Athletic Team Coaches

BACKGROUND: The Policy and Regulation are revised to reflect **NEW LAW (AB 1025)** which, beginning July 1, 2010, and requires any noncertificated or volunteer athletic team coach to obtain an Activity Supervisor Clearance Certificate from the Commission on Teaching Credentialing (CTC). The Policy also has been changed to reflect Title 5 regulations in reference to employment of athletic team coaches as temporary employees and to clarify law giving certificated employees a hiring advantage if they meet required qualifications. The Regulation contains a new section on the "High School Coaching Education Program" which expands material formerly in the Board Policy.

FISCAL IMPACT: None

ACTION RECOMMENDED: Approve and review **REVISED** Board Policy and Administrative Regulation 4127/4227/4327, Temporary Athletic Team Coaches

PREPARED BY: Kathy Hall, Director, Human Resources

DATE OF MEETING: June 2, 2010

AGENDA NOTE AGENDA NOTE AGENDA NOTE

Temporary Athletic Team Coaches

BP 4127 (a)
4227
4327

Personnel

~~The Governing Board recognizes the importance of qualified temporary athletic team coaches to the district's sports program and to the success of students in sports and interscholastic athletic activities.~~

The Governing Board desires to employ highly qualified coaches for the district's sports and interscholastic athletic programs in order to enhance the knowledge, skills, motivation, and safety of student athletes.

*(cf. 6142.7 - Physical Education and Activity)
(cf. 6145.2 - Athletic Competition)*

The Superintendent or designee may employ a certificated or noncertificated employee, other than a substitute employee, to supervise or instruct interscholastic athletic activities as a temporary employee in a limited assignment capacity. (5 CCR 5590)

(cf. 4121 - Temporary/Substitute Personnel)

When hiring a person to fill a position as a temporary athletic team coach, the position shall first be made available to qualified certificated teachers currently employed by the district. (Education Code 44919)

The Superintendent or designee shall establish qualification criteria for all athletic coaches in accordance with law and with district standards and priorities. These criteria shall ensure that all coaches possess *the proper credential or Activity Supervisor Clearance Certificate* and an appropriate level of competence, knowledge, and skill.

~~Any certificated teacher employed by the district who applies for a position as a temporary athletic team coach and who satisfies the qualification criteria established for the position shall first be offered the position. (Education Code 44919)~~

~~By December 31, 2008, all district coaches, including volunteer coaches, shall have completed a coaching education program that meets the standards developed by the California Interscholastic Federation (CIF). Coaches shall bear the expense of the program. (Education Code 49032)~~

~~*(cf. 5131.63 - Steroids)*~~

All coaches shall be subject to Board policies, administrative regulations, as well as ~~CIF~~ *and California Interscholastic Federation* bylaws and codes of ethical conduct.

*(cf. 4118 - Suspension/Disciplinary Action)
(cf. 4218 - Dismissal/Suspension/Disciplinary Action)
(cf. 5131.1 - Bus Conduct)*

Temporary Athletic Team Coaches

BP 4127 (b)
4227
4327

Personnel

~~(cf. 6145.2 - Athletic Competition)~~
~~(cf. 5131.63 - Steroids)~~

~~Volunteer Coaches~~

~~Volunteer athletic team coaches who do not meet the district qualification criteria shall serve only under the supervision of a fully qualified coach and shall not be given charge of an athletic program.~~

~~(cf. 1240 - Volunteer Assistance)~~

~~Noncertificated coaches have no authority to give grades to students. (5 CCR 5591)~~

~~(cf. 5121 - Grades/Evaluation of Student Achievement)~~

Legal Reference:

EDUCATION CODE

35179-35179.7 Interscholastic athletics

44010 Sex offense

44011 Controlled substance offense

44258.7 Credential types; Activity Supervisor Clearance Certificate

44332-44332.5 Temporary certificates

44424 Conviction of a crime

44808 Liability when students are not on school property

44919 Classification of temporary employees

49024 Activity Supervisor Clearance Certificate

49030-39033 Performance-enhancing substances

CODE OF REGULATIONS, TITLE 5

5531 Supervision of extracurricular activities of pupils

5590-5596 Duties of temporary athletic team coaches

COURT DECISIONS

CTA v. Rialto Unified School District, (1997)14 Cal. 4th 627

San Jose Teachers Association, CTA, NEA v. Barozzi, (1991) 230 Cal. App. 3d 1376

Management Resources:

CSBA POLICY BRIEFS

Steroids and Students: What Boards Need to Know, July 2005

A School Board Member's Guide to CIF and Interscholastic Sports, 1997

CALIFORNIA INTERSCHOLASTIC FEDERATION PUBLICATIONS

Pursuing Victory with Honor, 1999

California Interscholastic Federation Constitution and Bylaws

COMMISSION ON TEACHER CREDENTIALING CODED CORRESPONDENCE

09-19 Implementation of Assembly Bill 1025 Concerning the Activity Supervisor Clearance Certificate (ASCC), December 2, 2009

WEB SITES

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

California Athletic Trainers' Association: <http://www.ca-at.org>

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

Temporary Athletic Team Coaches

BP 4127 (b)
4227
4327

Personnel

Management Resources: (continued)

WEB SITES (continued)

California Interscholastic Federation: <http://www.cifstate.org>

National Athletic Trainers' Association: <http://www.nata.org>

Policy
adopted: September 5, 2007
revised:

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Manhattan Beach, California

Temporary Athletic Team Coaches

AR 4127 (a)
4227
4327

Personnel

~~At the first regular Governing Board meeting or within 30 days after selection of a temporary athletic team coach, whichever is sooner, the Superintendent or designee shall certify to the Board that all temporary athletic team coaches meet the qualifications and competencies required by law. (5 CCR 5594)~~

~~Upon the recommendation of the Superintendent or designee, the Board shall certify to the State Board of Education, by April 1 of each year, that the district conforms with state requirements governing the employment of temporary athletic team coaches. (5 CCR 5594)~~

Competencies *Qualifications*

The Superintendent or designee shall ~~determine whether a~~ *establish minimum qualifications for* temporary athletic team coaches. ~~is knowledgeable and competent in the areas of: *These criteria shall include, but not necessarily be limited to, competencies in the following areas:*~~ (5 CCR 5593)

1. ~~Care and prevention of athletic injuries, basic sports injury first aid, and emergency procedures. The Superintendent or designee shall establish qualifications in this competency area as evidenced by one or more of the following:~~
 - a. ~~Completion of a college-level course in the care and prevention of athletic injuries and possession of a valid cardiopulmonary resuscitation (CPR) card~~
 - b. ~~A valid sports injury certificate or first aid card, and a valid cardiopulmonary resuscitation CPR card~~
 - c. ~~A valid Emergency Medical Technician (EMT) I or II card~~
 - d. ~~A valid trainer's certification issued by the National or California Athletic Trainers' Association (NATA/CATA)~~
 - e. ~~*Possession of both valid CPR and first aid cards* and practical experience under the supervision of an athletic coach or trainer or experience assisting in team athletic training and conditioning ~~and both valid CPR and first aid cards~~~~
2. ~~Coaching techniques. The Superintendent or designee shall establish qualifications in Coaching theory and techniques in the sport or game being coached, as evidenced by one or more of the following:~~
 - a. ~~Completion of a college course in coaching theory and techniques~~

Temporary Athletic Team Coaches

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Personnel

- b. Completion of inservice programs arranged by a school district or county office of education
 - c. Prior service as a student coach or assistant athletic coach in the sport or game being coached
 - d. Prior coaching in community youth athletic programs in the sport being coached
 - e. Prior participation in organized competitive athletics at high school level or above in the sport being coached
3. ~~Rules and regulations in the athletic activity being coached. The Superintendent or designee shall establish~~ Knowledge of the rules and regulations pertaining to the sport or game being coached, the league rules, and, at the high school level, regulations of the California Interscholastic Federation (*CIF*).
4. ~~Child or adolescent psychology, whichever is appropriate to the grade level of the involved activity. The Superintendent or designee shall establish competency in~~ Knowledge of child or adolescent psychology, *as appropriate*, as it relates to sport participation, as evidenced by one or more of the following:
- a. Completion of a college-level course in child psychology for elementary school positions and adolescent or sports psychology for secondary school positions
 - b. Completion of a seminar or workshop on human growth and development of youth
 - c. Prior active involvement with youth in school or community sports program

The Superintendent or designee may waive competency requirements for persons enrolled in appropriate training courses leading to acquisition of the competency, provided such persons serve under the direct supervision of a fully qualified coach until the competencies are met. (5 CCR 5593)

Following the selection of a temporary athletic team coach, the Superintendent or designee shall certify to the Governing Board, at the next regular Board meeting or within 30 days, whichever is sooner, that the coach meets the qualifications and competencies required by 5 CCR 5593. By April 1 of each year, the Board shall certify to the State Board of Education that the provisions of 5 CCR 5593 have been met. (5 CCR 5594)

Temporary Athletic Team Coaches

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Volunteers who supervise or direct an athletic program shall meet the qualification criteria specified in 5 CCR 5593 required for temporary athletic team coaches employed by the district. Any volunteer who does not meet such criteria shall serve only under the supervision of a fully qualified coach and shall not be given charge of an athletic program.

(cf. 1240 - Volunteer Assistance)

Additional Competencies for Noncertificated Personnel and Volunteers

In addition to the competencies *qualifications* listed above, the Superintendent or designee shall determine that a noncertificated person *any noncertificated person* employed as a temporary athletic team coach *shall*: (5 CCR 5592)

1. ~~Is~~ *Be* free from tuberculosis and any other contagious disease that would prohibit certificated teachers from teaching, as verified by a written statement, renewable every four years, from a licensed physician or other person approved by the district.

(cf. 4112.4/4212.4/4312.4 - Health Examinations)

2. ~~Has Not~~ *have* been convicted of any offense referred to in Education Code 44010, 44011 or 44424, or any offense involving moral turpitude or evidencing unfitness to associate with children.

(cf. 4212.5 - Criminal Record Check)

Beginning July 1, 2010, any noncertificated employee or volunteer who supervises, directs, or coaches an interscholastic athletic team shall be required to obtain an Activity Supervisor Clearance Certificate from the Commission on Teacher Credentialing. (Education Code 49024)

(cf. 1240 - Volunteer Assistance)

~~Noncertificated coaches have no authority to give grades to students. (5 CCR 5591)~~

High School Coaching Education Program

Each high school athletic team coach or volunteer coach shall complete, at his/her expense, a coaching education program that meets the standards developed by the CIF. A high school coach who has completed the education program in another California school district shall be deemed to have met the requirement for this district. (Education Code 49032)

Temporary Athletic Team Coaches

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An individual who has not completed the education program may be assigned as a coach for no longer than one season of interscholastic competition. (Education Code 49032)

Code of Ethical Conduct

Employees providing supervisory or instructional services in interscholastic athletic programs and activities shall: (5 CCR 5596)

1. Show respect for players, officials, and other coaches
2. Respect the integrity and judgment of game officials
3. Establish and model fair play, sportsmanship, and proper conduct
4. Establish player safety and welfare as the highest priority
5. Provide proper supervision of students at all times
6. Use discretion when providing constructive criticism and when reprimanding players
7. Maintain consistency in requiring all players to adhere to the established rules and standards of the game
8. Properly instruct players in the safe use of equipment
9. Avoid exerting undue influence on a student's decision to enroll in an athletic program at any public or private postsecondary educational institution
10. Avoid exerting undue influence on students to take lighter academic course(s) in order to be eligible to participate in athletics
11. Avoid suggesting, providing, or encouraging any athlete to use nonprescriptive drugs, anabolic steroids or any substance to increase physical development or performance that is not approved by the U.S. Food and Drug Administration, U.S. Surgeon General, or the American Medical Association

Temporary Athletic Team Coaches

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Code of Ethical Conduct (continued)

12. Avoid recruitment of athletes from other schools
13. Follow the rules of behavior and the procedures for crowd control as established by the Board and the league in which the district participates

Regulation
approved: September 5, 2007
reviewed:

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Manhattan Beach, California

G. BOARD BUSINESS

12. **TITLE:** Approve **REVISED** Board Policy 4030, Nondiscrimination in Employment

BACKGROUND: The Policy is updated to reflect **NEW FEDERAL LAW (P.L. 110-233)** which prohibits employers from discriminating against employees and job applicants on the basis of "genetic information," as defined. Material formerly in the administrative regulation in reference to the filing of complaints, trainings, and notification moved into the Board Policy. Material which was formerly in the policy in reference to other remedies has been moved to AR 4031 - Complaints Concerning Discrimination in Employment.

FISCAL IMPACT: None

ACTION RECOMMENDED: Approve **REVISED** Board Policy 4030, Nondiscrimination in Employment

PREPARED BY: Kathy Hall, Director, Human Resources

DATE OF MEETING: June 2, 2010

AGENDA NOTE AGENDA NOTE AGENDA NOTE

Nondiscrimination in Employment

BP 4030 (a)

Personnel

The Governing Board prohibits unlawful discrimination against and/or harassment of district employees and job applicants *at any district site or activity* on the basis of actual or perceived race, *religion*, color, national origin, ancestry, religion, age, marital status, pregnancy, physical or mental disability, medical condition, *genetic information*, veteran status, gender, sex or sexual orientation, at any district site and/or activity. ~~The Board also prohibits retaliation against any district employee or job applicant who complains, testifies or in any way participates in the district's complaint procedures instituted pursuant to this policy.~~

~~(cf. 4031 - Complaints Concerning Discrimination in Employment)
(cf. 0410 - Nondiscrimination in District Programs and Activities)
(cf. 4032 - Reasonable Accommodation)
(cf. 4119.11/4219.11/4319.11 - Sexual Harassment)
(cf. 4119.41/4219.41/4319.41 - Employees with Infectious Disease)
(cf. 4154/4254/4354 - Health and Welfare Benefits)
(cf. 5145.7 - Sexual Harassment)~~

Prohibited discrimination or harassment consists of unwelcome conduct, whether verbal, physical, or visual, based on any of the prohibited categories of discrimination listed above that it is so severe and pervasive that it adversely affects an individual's employment opportunities or has the purpose or effect of unreasonably interfering with his/her work performance or creating 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 or participates in unlawful discrimination *harassment*, or who aids, abets, incites, compels or coerces another to ~~discriminate~~ *to engage in such behavior*, is *shall be* in violation of this policy and is *shall be* subject to disciplinary action, up to and including dismissal.

~~(cf. 4117.4 - Dismissal)
(cf. 4118 - Suspension/Disciplinary Action)
(cf. 4218 - Dismissal/Suspension/Disciplinary Action)~~

~~Any district employee who observes or has knowledge of an incident of unlawful discrimination or harassment shall report the incident to the principal, district administrator or Superintendent as soon as practical after the incident. Failure of a district employee to report discrimination or harassment may result in disciplinary action.~~

~~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.~~

Nondiscrimination in Employment

BP 4030 (b)

Personnel

~~Such publication shall be included in each announcement, bulletin or application form that is used in employee recruitment. (34 CFR 100.6, 106.9)~~

~~The district's policy and administrative regulation shall be posted in all schools and offices including staff lounges and student government meeting rooms. (5 CCR 4960)~~

The Board designates the following positions as Coordinator for Nondiscrimination in Employment:

~~Deputy Superintendent, Human Resources~~

Director, Human Resources

325 South Peck Avenue

Manhattan Beach, CA 90266

310-318-7345 ext. 5915

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

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

(cf. 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 his/her supervisor, 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.

(cf. 4131- Staff Development)

(cf. 4231- Staff Development)

(cf. 4331- Staff Development)

Nondiscrimination in Employment

BP 4030 (c)

Personnel

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. (34 CFR 100.6, 106.9)

The district's policy shall be posted in all schools and offices including staff lounges and student government meeting rooms. (5 CCR 4960)

Other Remedies

~~An employee may, in addition to filing a discrimination complaint with the district, 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, the employee must file his/her complaint within one year of the alleged discriminatory act(s), unless an exception exists pursuant to Government Code 12960. (Government Code 12960)~~
- ~~2. To file a valid complaint directly with EEOC, the employee must file his/her complaint within 180 days of the alleged discriminatory act(s). To file a valid complaint with EEOC after filing a complaint with DFEH, the employee must file the complaint within 300 days of the alleged discriminatory act(s) or within 30 days after the termination of proceedings by DFEH, whichever is earlier. (42 USC 2000e-5)~~

~~Employees wishing to file complaints with the DFEH and EEOC should contact the nondiscrimination coordinator for more information.~~

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

422.756 Definitions, hate crimes

CODE OF REGULATIONS, TITLE 2

7287.6 Terms, conditions and privileges of employment

CODE OF REGULATIONS, TITLE 5

4900-4965 Nondiscrimination in elementary and secondary education programs receiving state financial assistance

Nondiscrimination in Employment

BP 4030 (d)

Personnel

Legal Reference: (continued)

UNITED STATES CODE, TITLE 20

1681-1688 *Discrimination based on sex or blindness, Title IX*

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, 1972 Education Act Amendments*

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*

COURT DECISIONS

Carter v. California Department of Veterans Affairs (2003) 2003 Cal.LEXIS 5694

Shephard v. Loyola Marymount (2002) 102 CalApp.4th 837

Management Resources:

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

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

~~*Enforcement Guidance: Reasonable Accommodation and Undue Hardship under the Americans with Disabilities Act, March, 1999*~~

Questions and Answers: Religious Discrimination in the Workplace, 2008

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

U.S. DEPARTMENT OF EDUCATION, OFFICE OF CIVIL RIGHTS

Notice of Non-Discrimination, January, 1999

WEB SITES

~~*EEOC: <http://www.eeoc.gov>*~~

~~*OCR: <http://www.ed.gov/offices/OCR>*~~

~~*DFEH: <http://www.dfeh.ca.gov>*~~

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>

Policy
adopted: September 5, 2007
revised:

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Manhattan Beach, California

G. BOARD BUSINESS

13. **TITLE:** Approve and Review **REVISED** Board Policy and Administrative Regulation 4157/4257/4357, Employee Safety

BACKGROUND: The Policy and regulation has been updated to reflect **NEW TITLE 8 REGULATIONS** which require all employers to make provisions in advance to ensure that employees receive prompt medical treatment for serious injury or illness. The revised Policy also deletes material on eye protection devices which now is covered in the revised regulation. The updated Regulation deletes the requirement to keep records of steps taken to implement the district's injury and illness prevention program (not applicable to public agencies) and expands the section on "Hearing Protection" to include the major components of hearing conservation program.

FISCAL IMPACT: None

ACTION RECOMMENDED: Approve and Review **REVISED** Board Policy and Administrative Regulation 4157/4257/4357, Employee Safety

PREPARED BY: Kathy Hall, Director, Human Resources

DATE OF MEETING: June 2, 2010

AGENDA NOTE AGENDA NOTE AGENDA NOTE

Employee Safety

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Personnel

The Governing Board is committed to maximizing employee safety and believes that *workplace* safety is every employee's responsibility. Working conditions and equipment shall be maintained in compliance *comply* with standards prescribed by federal, state, and local laws and regulations.

(cf. 0450 - Comprehensive Safety Plan)

No employee shall be required or permitted to be in any place of employment which is unsafe or unhealthful. (Labor Code 6402)

The Board expects all employees to use safe work practices and, *to the extent possible*, to correct any unsafe conditions which may occur. If an employee is unable to correct an unsafe condition, he/she shall immediately report the problem to the Superintendent or designee.

The Superintendent or designee shall promote safety and correct any unsafe work practice through education training and enforcement.

(cf. 4117.4 - Dismissal)

(cf. 4118 - Suspension/Disciplinary Action)

(cf. 4218 - Dismissal/Suspension/Disciplinary Action)

The Superintendent or designee shall establish and implement a written injury and illness prevention program in accordance with law. (Labor Code 6401.7)

(cf. 3514 - Environmental Safety)

(cf. 3514.1 - Hazardous Substances)

(cf. 3516 - Emergencies and Disaster Preparedness Plan)

(cf. 4119.41/4219.41/4319.41 - Employees with Infectious Disease)

(cf. 4119.42/4219.42/4319.42 - Exposure Control Plan for Bloodborne Pathogens)

(cf. 4119.43/4219.43/4319.43 - Universal Precautions)

(cf. 4157.1/4257.1/4357.1 - Work-Related Injuries)

(cf. 4157.2/4257.2/4357.2 - Ergonomics)

(cf. 4158/4258/4358 - Employee Security)

~~The Board shall ensure that the Superintendent or designee provides eye protective devices as specified in law and administrative regulation.~~ *The Superintendent or designee shall ensure the ready availability of first aid materials at district workplaces and shall make effective provisions, in advance, for prompt medical treatment in the event of an employee's serious injury or illness. (8 CCR 3400)*

No employee shall be discharged or discriminated against for making complaints, for instituting proceedings, or testifying with regard to employee safety or health or for participating in any occupational health and safety committee established pursuant to Labor Code 6401.7. (Labor Code 6310)

Employee Safety

BP 4157(b)
4257
4357

Personnel

Legal Reference:

EDUCATION CODE

32066 Safety: public and private institutions

32030-32034 Eye safety

32225-32226 Communications devices in classrooms

32280-32289 School safety plans

44984 Required rules for industrial accident and illness leave of absence

GOVERNMENT CODE

3543.2 Scope of bargaining

LABOR CODE

3300 Definitions

6305 Occupational safety and health standards; special order

6310 Retaliation for filing complaint prohibited

6401.7 Injury prevention programs

6400-6413.5 Responsibilities and duties of employers and employees

6401.7 Injury and illness prevention program

CODE OF REGULATIONS, TITLE 8

3203 Injury and illness prevention program

3400 Medical services and first aid

5095-5100 Control of noise exposure

CODE OF FEDERAL REGULATIONS, TITLE 29

1910.95 Noise standards

Management Resources:

CAL/OSHA PUBLICATIONS

Guide to Developing Your Workplace Injury and Illness Prevention Program, revised April 1998

DHHS PUBLICATIONS

Preventing Occupational Hearing Loss—A Practical Guide, June 1996, Department of Health and Human Services (National Institute for Occupational Safety and Health)

DEPARTMENT OF INDUSTRIAL RELATIONS PUBLICATIONS

Guide to Developing Your Workplace Injury and Illness Prevention Program, rev. August 2005

WEB SITES

OSHA: <http://www.osha.gov>

Cal/OSHA: http://www.dir.ca.gov/occupational_safety.html

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

National Hearing Conservation Association: <http://www.hearingconservation.org>

National Institute for Occupational Safety and Health: <http://www.cdc.gov/niosh>

U.S. Department of Labor, Occupational Safety and Health Administration: <http://www.osha.gov>

Policy

adopted: September 5, 2007

revised:

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

Manhattan Beach, California

Employee Safety

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Personnel

The Superintendent or designee shall provide *and implement* safety devices, safeguards, methods, and processes for staff that are reasonably adequate to render the employment and place of employment safe *and healthful*. (*Labor Code 6401*)

(cf. 4157.1/4257.1/4357.1 - Work-Related Injuries)

(cf. 4157.2/4257.2/4357.2 - Ergonomics)

(cf. 4161.11/4361.11 - Industrial Accident/Illness Leave)

(cf. 4261.1 - Industrial Accident/Illness Leave)

Injury and Illness Prevention Program

The district's injury and illness prevention program shall cover all district employees and all other workers whom the district controls or directs and directly supervises on the job to the extent that workers are exposed to hazards specific to their worksite and job assignment. The obligation of contractors or other employers who control or direct and supervise their own employees on the job shall not be affected by the district's injury prevention program. (Labor Code 6401.7)

The district's injury and illness prevention program shall include: (Labor Code 6401.7; 8 CCR 3203)

1. The name/position of the person(s) with authority and responsibility for implementing the program.
2. A system for ensuring that employees comply with safe and healthful work practices, which may include but not be limited to:
 - a. Recognition of employees who follow safe and healthful work practices

(cf. 4156.2/4256.2/4356.2 - Awards and Recognition)

- b. Training and retraining programs
- c. Disciplinary actions

(cf. 4117.4 - Dismissal)

(cf. 4118 - Suspension/Disciplinary Action)

(cf. 4218 - Dismissal/Suspension/Disciplinary Action)

Employee Safety

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3. A system for communicating with employees in a form readily understandable by all employees, on matters related to occupational health and safety, including provisions designed to encourage employees to report hazards at the worksite without fear of reprisal. This system may include, but not be limited to:
 - a. Meetings
 - b. Training programs
 - c. Postings
 - d. Written communications
 - e. A system of anonymous notification by employees about hazards. A labor/management safety and health committee
 - f. *A labor/management safety and health committee***
4. Procedures for identifying and evaluating workplace hazards, including scheduled periodic inspections to identify unsafe conditions and work practices. Such inspections shall be made:
 - a. Whenever ~~introducing into the workplace~~ new substances, processes, procedures, or equipment that represent a new occupational safety or health hazard ***is introduced into the workplace***
 - b. Whenever the district is made aware of a new or previously unrecognized hazard

(cf. 3514 - Environmental Safety)
(cf. 3514.1 - Hazardous Substances)

5. A procedure for investigating occupational injury or illness.
6. Methods and/or procedures for correcting unsafe or unhealthful conditions, work practices, and work procedures in a timely manner, based on the severity of the hazard when observed or discovered.

When an imminent hazard exists which cannot be immediately abated without endangering employee(s) and/or property, these procedures shall call for the removal of all exposed staff from the area except those necessary to correct the hazardous condition. Employees needed to correct the condition shall be provided necessary safeguards.

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7. *Provision of training and instruction as follows:*

- a. To all new employees
- b. To all employees given new job assignments for which training has not previously been received
- c. Whenever new substances, processes, procedures, or equipment are introduced into the workplace and represent a new hazard
- d. Whenever the district is made aware of a new or previously unrecognized hazard
- e. *To supervisors*, To familiarize *supervisors them* with the safety and health hazards to which employees under their immediate direction and control may be exposed

(cf. 4131 - Staff Development)

(cf. 4231 - Staff Development)

(cf. 4331 - Staff Development)

~~Records of the steps taken to implement and maintain the injury and illness prevention program shall be kept in accordance with 8 CCR 3203.~~

Labor/Management Safety and Health Committee

The district's labor/management safety and health committee shall: (8 CCR 3203)

1. Meet regularly, but not less than quarterly.
2. Prepare and make available to affected employees written records of the safety and health issues discussed at committee meetings and maintained for review by *the California Department of Industrial Relations' Division of Occupational Safety and Health* (Cal/OSHA) upon request. These records shall be maintained for at least one year.
3. Review results of the periodic, scheduled worksite inspections.
4. Review investigations of occupational accidents and causes of incidents resulting in occupational injury or illness or exposure to hazardous substances. As appropriate, the committee may submit suggestions to the Superintendent or designee regarding the prevention of future incidents.

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Personnel

5. Review investigations of alleged hazardous conditions brought to the attention of any committee member. When determined necessary by the committee, it may conduct its own inspection and investigation to assist in remedial solutions.
6. Submit recommendations to assist in the evaluation of employee safety suggestions
7. Upon request of Cal/OSHA, verify abatement action taken by the district to abate citations issued by Cal/OSHA

Hearing Protection

~~When information indicates that any employee's exposure to noise may equal or exceed an eight-hour average sound level of 85 decibels, *Whenever employee noise exposure equals or exceeds the standards specified in law*, the Superintendent or designee shall implement a hearing conservation program in accordance with state and federal regulations, *including, when required, monitoring of sound levels, audiometric testing of affected employees, the provision of hearing protectors, and employee training.* (8 CCR 50975095-5100; 29 CFR 1910.95)~~

Eye Safety Devices

Eye safety devices shall be worn by employees whenever they are engaged in or observing an activity involving hazards or hazardous substances likely to cause injury to the eyes. (Education Code 32030-32034)

~~Such activities include, but are not limited to, the following: (Education Code 32031)~~

- ~~1. Working with hot molten metal~~
- ~~2. Milling, sawing, turning, shaping, cutting, grinding, and stamping of any solid materials~~
- ~~3. Heat treating, tempering, or kiln firing of any metal or other materials~~
- ~~4. Gas or electric arc welding~~
- ~~5. Repair or servicing of any vehicles, machinery, or equipment~~
- ~~6. Working with hot liquids or solids or with chemicals which are flammable, toxic, corrosive to living tissues, irritating, strongly sensitizing, radioactive, or which generate pressure through heat, decomposition, or other means~~

Employee Safety

AR 4157(e)

4257

4357

Personnel

(cf. 5142 - Safety)

First Aid and Medical Services

The Superintendent or designee shall ensure the ready availability of medical personnel for advice and consultation on matters of industrial health or injury. Whenever a workplace is not in close proximity to an infirmary, clinic, or hospital where all injured employees may be treated, the Superintendent or designee shall ensure that at least one employee is adequately trained to provide first aid. (8 CCR 3400)

The Superintendent or designee shall make adequate first aid materials readily available for employees at every worksite. Such materials shall be approved by a consulting physician and shall be kept in a sanitary and usable condition. The Superintendent or designee shall frequently inspect all first aid materials and replenish them as necessary. (8 CCR 3400)

To avoid unnecessary delay in medical treatment in the event of an employee's serious injury or illness, the Superintendent or designee shall use one or more of the following: (8 CCR 3400)

- 1. A communication system for contacting a physician or emergency medical service, such as access to 911 or equivalent telephone system. The communication system or the employees using the system shall have the ability to direct emergency services to the location of the injured or ill employee.***
- 2. Readily accessible and available on-site treatment facilities suitable for treatment of reasonably anticipated injury and illness.***

(cf. 5141.6 - School Health Services)

- 3. Proper equipment for prompt medical transport when transportation of injured or ill employees is necessary and appropriate.***

Regulation
approved: September 5, 2007
reviewed:

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Manhattan Beach, California

G. BOARD BUSINESS

14. **TITLE:** Review **REVISED** Board Administrative Regulation 4031, Complaints Concerning Discrimination in Employment

BACKGROUND: This regulation has been substantially updated and reorganized to reflect the elements of the complaint process recommended by Equal Employment Opportunity Commission (EEOC) GUIDANCE, including providing a clear explanation of the process, protecting against retaliation, designating multiple individuals authorized to receive complaints, providing a mechanism for a prompt and impartial investigation, and providing information about timelines for filing federal or state charges.

FISCAL IMPACT: None

ACTION RECOMMENDED: Review **REVISED** Board Policy 4031, Complaints Concerning Discrimination in Employment

PREPARED BY: Kathy Hall, Director, Human Resources

DATE OF MEETING: June 2, 2010

AGENDA NOTE AGENDA NOTE AGENDA NOTE

Complaints Concerning Discrimination in Employment

AR 4031 (a)

Personnel

Complaint Procedure

~~The following procedures shall be used when a district employee or job applicant has a complaint alleging that a specific action, policy, procedure or practice discriminates against him/her on any basis specified in the district's nondiscrimination policies.~~

~~(cf. 0410—Nondiscrimination in District Programs and Activities)~~

~~(cf. 4030—Nondiscrimination in Employment)~~

~~(cf. 4032—Reasonable Accommodation)~~

~~(cf. 4119.11/4219.11/4319.11—Sexual Harassment)~~

- ~~1. The complaint should be initiated promptly after a complainant knew, or should have known, of the alleged discrimination.~~
- ~~2. All parties involved in allegations of discrimination shall be notified when a complaint is filed, when a complaint meeting or hearing is scheduled, and when a decision or ruling is made. The parties also shall be notified of their right to appeal the decision to the next level.~~
- ~~3. When a complaint is brought against the individual responsible for the complaint process at any level, the complainant may address the complaint directly to the next appropriate level.~~
- ~~4. Meetings related to a complaint shall be held at times the district determines appropriate to the circumstances.~~
- ~~5. For the protection of all the parties involved, complaint proceedings shall be kept confidential insofar as appropriate.~~
- ~~6. All documents, communications and records dealing with the investigation of the complaint shall be placed in a confidential district personnel complaint file and not in the employee's individual personnel file.~~

~~(cf. 1340—Access to District Records)~~

~~(cf. 3580—District Records)~~

~~(cf. 4112.6/4212.6/4312.6—Personnel Files)~~

~~(cf. 4119.23/4219.23/4319.23—Unauthorized Release of Confidential/Privileged Information)~~

- ~~7. Time limits specified in these procedures may be revised only by written agreement of all parties involved. If the district fails to respond within a specified or adjusted time limit, a complainant may proceed to the next level. If a complainant fails to take the complaint to the next step within the prescribed time, the complaint shall be considered settled at the preceding step.~~

Complaints Concerning Discrimination in Employment

AR 4031 (b)

Personnel

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.

(cf. 0410 - Nondiscrimination in District Programs and Activities)

(cf. 4030 - Nondiscrimination in Employment)

(cf. 4032 - Reasonable Accommodation)

(cf. 4119.11/4219.11/4319.11 - Sexual Harassment)

Level I

~~The complainant shall first meet informally with his/her supervisor or the administrator of the school where the alleged discriminatory act occurred. A complaint regarding discrimination away from the school site should be discussed informally with the complainant's supervisor. If the complainant's concerns are not clear or cannot be resolved through informal discussion, the supervisor or other administrator shall prepare, within 10 working days, a written summary of his/her meeting(s) with the complainant. This report shall be made available to the nondiscrimination coordinator (coordinator) designated by the Governing Board in BP 4030 - Nondiscrimination in Employment.~~

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.*

Personnel

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.

(cf. 3580 - District Records)

(cf. 4112.6/4212.6/4312.6 - Personnel Files)

(cf. 4119.23/4219.23/4319.23 - Unauthorized Release of Confidential/Privileged Information)

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.

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.

Complaints Concerning Discrimination in Employment

AR 4031 (d)

Personnel

Level II

~~If a complaint cannot be resolved to the satisfaction of the complainant at Level I, he/she may submit a formal written complaint to the coordinator within 10 working days of his/her attempt to resolve the complaint informally. The written complaint shall include the following:~~

- ~~1. The complainant's name, address and telephone number~~
- ~~2. The name and work location of the district staff member who committed the alleged violation~~
- ~~3. A description of the alleged discriminatory act(s) or omission(s)~~
- ~~4. The discriminatory basis alleged~~
- ~~5. A specific description of the time, place, nature, participants in and witnesses to the alleged violation~~
- ~~6. Other pertinent information, which may assist in investigating and resolving the complaint~~
- ~~7. The complainant's signature or that of his/her representative~~

~~The coordinator shall assign a staff member to assist the complainant with this writing if such help is needed. The coordinator shall respond to the complaint in writing within 10 working days.~~

~~The coordinator shall conduct any investigation necessary to respond to the complaint, including discussion with the complainant, person(s) involved, appropriate staff members and students, and review of the Level I report and all other relevant documents. If a response from third parties is necessary, the coordinator may designate up to 10 additional working days for investigation of the complaint.~~

Level III

~~If the complaint cannot be resolved at Level II, either party may present the complaint to the Superintendent or designee within 10 working days. The Superintendent or designee shall review the Level II investigation file, including the written complaint and all responses from district staff. The Superintendent or designee shall respond to the complaint in writing within 10 working days.~~

Complaints Concerning Discrimination in Employment

AR 4031 (c)

Personnel

~~If the Superintendent or designee finds it necessary to conduct further investigation, he/she may designate up to 10 additional working days for such investigation and shall respond to the complaint in writing within 10 working days of completing the investigation.~~

Level IV

~~If the matter is not resolved at Level III, either party may file a written appeal to the Board within 10 working days after receiving the Level III response. The Superintendent or designee shall provide the Board with all information presented at previous levels.~~

~~The Board shall grant the hearing request for the next regular Board meeting for which the matter can be placed on the agenda. 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.~~

~~(cf. 1312.1 - Complaints Concerning District Employees)
(cf. 9321 - Closed Session Purposes and Agendas)~~

~~The Board may appoint a hearing panel to review the complaint and previous decisions and make recommendations to the Board. The panel shall hear the appeal and render its decision within 10 working days.~~

- ~~**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.***~~

~~(cf. 1312.1 - Complaints Concerning District Employees)
(cf. 9321 - Closed Session Purposes and Agendas)~~

Other Remedies

~~Complainants may appeal the Board's action to the California Department of Education. The Superintendent or designee shall ensure that complainants are informed that injunctions, restraining orders and other civil law remedies may also be available to them. This information shall be published with the district's nondiscrimination complaint procedures and included in any related notices. (Education Code 262.3)~~

Complaints Concerning Discrimination in Employment

AR 4031 (f)

Personnel

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 (Government Code 12960)*
- 2. To file a valid complaint directly with EEOC, within 180 days of the alleged discriminatory act(s) (42 USC 2000e-5)*
- 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 (42 USC 2000e-5)*

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

2001d-2001d-7 Title VI, Civil Rights Act of 1964

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, 1972 Education Act Amendments

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

Complaints Concerning Discrimination in Employment

AR 4031 (g)

Personnel

Management Resources:

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION Publications

Enforcement Guidance: Reasonable Accommodation and Undue Hardship under the Americans with Disabilities Act, March 1999-October 2002

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

~~OFFICE OF CIVIL RIGHTS AND NATIONAL ASSOCIATION OF ATTORNEYS GENERAL~~

~~Protecting Students from Harassment and Hate Crime, January, 1999~~

~~WEB SITES~~

~~EEOC: <http://www.eeoc.gov>~~

~~OCR: <http://www.ed.gov/offices/OCR>~~

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

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

Regulation
approved: September 5, 2007
reviewed:

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Manhattan Beach, California

G. BOARD BUSINESS

15. **TITLE:** Adopt and review **REVISED** Board Policy and Administrative Regulation 6142.7, Physical Education and Activity

BACKGROUND: The Policy and Regulation have been retitled and revised to incorporate opportunities for physical activity outside of the regular physical education curriculum.

The Policy also adds Board approval of courses that qualify for P.E. credit and establishes expectation that 50 percent of P.E. class time will be spent in moderate to vigorous physical activity. According to the California Department of Education's (CDE's) *Physical Education Framework*, it is the obligation of the Governing Board to determine whether to grant physical education credit for a particular course, including, but not limited to, junior ROTC, marching band, cheerleading, or drill team. In making this determination, the Board must determine how the particular course being considered supports an overall course of study for grades 9-12 that includes the eight content areas specified in Education Code 33352 and 5 CCR 10060 for physical education programs. While it is not necessary that each individual course include all eight content areas, the course offerings must be structured so that all students receive opportunities for instruction in each of the eight areas across grades 9-12. The CDE's Physical Education FAQs add that any course for which physical education credit is granted must also meet requirements in Education Code 33352 pertaining to minimum instructional minutes, various reporting requirements, and the assignment of an appropriately credentialed teacher.

The Regulation also adds sections on "Definitions" and "Monitoring of Moderate to Vigorous Physical Activity," and adds optional language on providing physical fitness test results to parents/guardians.

FISCAL IMPACT: None

ACTION RECOMMENDED: Adopt **REVISED** Board Policy and review Administrative Regulation 6142.7, Physical Education and Activity.

PREPARED BY: Carolyn Seaton, Executive Director, Educational Services

DATE OF MEETING: June 2, 2010

AGENDA NOTE AGENDA NOTE AGENDA NOTE

Instruction

The Governing Board recognizes the positive benefits of physical activity for student health and academic achievement. ~~The Board desires to provide a physical education program that builds interest and proficiency in movement skills and encourages students' lifelong fitness through physical activity. Besides promoting high levels of personal achievement and a positive self-image, physical education activities should teach students how to cooperate in the achievement of common goals.~~ *The district shall provide all students the opportunity to be physically active on a regular basis through high-quality physical education instruction and may provide additional opportunities for physical activity throughout the school day. The district's physical education and activity programs shall support the district's coordinated student wellness program and encourage students' lifelong fitness.*

~~(cf. 5121 - Grades/Evaluation of Student Achievement)
(cf. 5030 - Student Wellness)
(cf. 6142.8 - Comprehensive Health Education)
(cf. 6145.2 - Athletic Competition)
(cf. 6146.1 - High School Graduation Requirements)
(cf. 6190 - Evaluation of the Instructional Program)~~

~~The Board shall approve the components of the physical education program. The district's program shall include a variety of kinesthetic activities, including team and individual sports, as well as aesthetic movement forms, such as dance.~~

~~(cf. 6143 - Courses of Study)~~

The district's physical education program shall provide a developmentally appropriate sequence of instruction aligned with the state's model content standards and curriculum framework. The Superintendent or designee shall ensure that the district's program provides students with equal opportunities for instruction and participation regardless of gender in accordance with law.

~~(cf. 0410 - Nondiscrimination in District Programs and Activities)
(cf. 6011 - Academic Standards)
(cf. 6143 - Courses of Study)~~

The overall course of study for grades 9-12 shall include the effects of physical activity upon dynamic health, the mechanics of body movement, aquatics, gymnastics and tumbling, individual and dual sports, rhythms and dance, team sports, and combatives. (Education Code 33352; 5 CCR 10060)

The Board shall approve the courses in grades 9-12 for which physical education credit may be granted.

Instruction

(cf. 6146.1 - High School Graduation Requirements)
(cf. 6146.11 - Alternative Credits Toward Graduation)

The district's physical education program shall engage students in moderate to vigorous physical activity, as defined in the accompanying administrative regulation, for at least 50 percent of class or session time. The Superintendent or designee shall develop strategies to monitor the amount of moderate to vigorous physical activity that takes place in the physical education instructional program.

~~An appropriate alternative activity shall be provided for students with a physical disability that may restrict excessive physical exertion.~~

Students with disabilities shall be provided instruction in physical education in accordance with their individualized education program or Section 504 accommodation plan.

(cf. 6159 - Individualized Education Program)
(cf. 6164.6 - Identification and Education Under Section 504)

~~During air pollution episodes, extreme weather, or other inclement conditions, physical education staff shall make appropriately limit the amount or type of physical exercise required of students during air pollution episodes, hot weather or other inclement conditions. adjustments to the program or shall seek alternative indoor space to enable students to participate in active physical education.~~

~~*(cf. 3516 - Emergencies and Disaster Preparedness Plan)*~~
(cf. 3514 - Environmental Safety)
(cf. 5141.7 - Sun Safety)

Staffing

Physical education instruction shall be delivered by appropriately credentialed teachers who may be assisted by instructional aides, paraprofessionals, and/or volunteers.

(cf. 1240 - Volunteer Assistance)
(cf. 4112.2 - Certification)
(cf. 4222 - Teacher Aides/Paraprofessionals)

The district shall provide physical education teachers with continuing professional development, including classroom management and instructional strategies designed to keep students engaged and active and to enhance the quality of physical education instruction and assessment.

(cf. 4131 - Staff Development)

Instruction

(cf. 5121 - Grades/Evaluation of Student Achievement)

Physical Fitness Testing

The Superintendent or designee shall annually administer the physical fitness test designated by the State Board of Education to students in grades 5, 7, and 9. (Education Code 60800; 5 CCR 1041)

Temporary Exemptions

The Superintendent or designee may grant temporary exemption from physical education under any of the following conditions:

1. The student is ill or injured and a modified program to meet his/her needs cannot be provided. (Education Code 51241)
2. The student is enrolled for one-half time or less. (Education Code 51241)
3. ~~The student in grades 10-12 is excused for up to 24 clock hours in order to participate in automobile driver training. (Education Code 51222)~~

Two-Year Exemptions

~~***With the student's consent, the Superintendent or designee may exempt a students, with their consent, from physical education courses for any two years of physical education courses during grades 10-12 provided that the student has satisfactorily met at least five of the six standards of the state's physical fitness test in grade 9. (Education Code 51241)***~~

~~***Upon request by students and/or their parents/guardians, the Superintendent or designee may administer the physical fitness test to students in grades 10-12 who need to pass the test in order to qualify for a two-year exemption from physical education courses.***~~

Permanent Exemptions

~~The Superintendent or designee may excuse any student in grades 10-12 who attends a regional occupational center or program from attending physical education courses if such attendance results in hardship because of the travel time involved. (Education Code 52316)~~

~~The Superintendent or designee may exempt a high school student from physical education if he/she is engaged in a regular school sponsored interscholastic athletic program carried on wholly or partially after regular school hours. (Education Code 51242)~~

~~*(cf. 6145.2 - Athletic Competition)*~~

~~*(cf. 6146.11 - Alternative Credits Toward Graduation)*~~

Instruction

The Superintendent or designee may grant permanent exemptions from physical education under any one of the following conditions: (Education Code 51241)

1. *The student is* age 16 years or older and has been enrolled in grade 10 for one or more academic years.
2. *The student is* enrolled as a postgraduate student.
3. *The student is* enrolled in a juvenile home, ranch, camp or forestry camp school with scheduled recreation and exercise.

Other Exemptions

The Superintendent or designee may grant an exemption from physical education under the following special circumstances:

1. *The student in grades 10-12 is excused for up to 24 clock hours in order to participate in automobile driver training. (Education Code 51222)*
2. *The student in grades 10-12 attends a regional occupational center or program and attendance in physical education courses results in hardship because of the travel time involved. (Education Code 52316)*
3. *The student is in high school and is engaged in a regular school-sponsored interscholastic athletic program carried on wholly or partially after regular school hours. (Education Code 51242)*

(cf. 6145.2 - Athletic Competition)

Additional Opportunities for Physical Activity

The Superintendent or designee shall develop strategies to supplement physical education instruction with additional opportunities for students to be physically active before, during, and after the school day.

- (cf. 1330.1 - Joint Use Agreements)*
- (cf. 5142.2 - Safe Routes to School Program)*
- (cf. 5148 - Child Care and Development Program)*
- (cf. 5148.2 - Before/After School Program)*
- (cf. 6145 - Extracurricular and Cocurricular Activities)*
- (cf. 6145.5 - Student Organizations and Equal Access)*

Instruction

Program Evaluation

The Superintendent or designee shall annually report to the Board the results of the state physical fitness testing for each school and applicable grade level. He/she shall also report to the Board regarding the number of instructional minutes offered in physical education for each grade level, the number of two-year and permanent exemptions granted pursuant to Education Code 51241, and any other data agreed upon by the Board and the Superintendent or designee to evaluate program quality and the effectiveness of the district's program in meeting goals for physical activity.

(cf. 0500 - Accountability)

(cf. 6190 - Evaluation of the Instructional Program)

Legal Reference:

EDUCATION CODE

33126 School accountability report card

33350 CDE responsibilities re: physical education

35256 School accountability report card

49066 Grades; physical education class

51210 Course of study, grades 1-6

51220 Course of study, grades 7-12

51222 Physical education

51223 Physical education, elementary schools

51241 Temporary or permanent exemption from physical education

51242 Exemption from physical education for athletic program participants

52316 Excuse from attending physical education classes

60800 Physical performance test

CODE OF REGULATIONS, TITLE 5

10440-1046 8 Physical performance test

3051.5 Adapted physical education for individuals with exceptional needs

10060 Criteria for high school physical education programs

UNITED STATES CODE, TITLE 29

794 Rehabilitation Act of 1973, Section 504

UNITED STATES CODE, TITLE 42

1751 Note Local wellness policy

ATTORNEY GENERAL OPINIONS

53 Ops. Cal. Atty. Gen. 230 (1970)

Management Resources:

CSBA PUBLICATIONS

Healthy Food Policy Resource Guide, 2003

Active Bodies, Active Minds: Physical Activity and Academic Achievement, Fact Sheet, February 2010

Maximizing Opportunities for Physical Activity Through Joint Use of Facilities, Policy Brief, rev. February 2010

Maximizing Opportunities for Physical Activity During the School Day, Fact Sheet, November 2009

Moderate to Vigorous Physical Activity in Physical Education to Improve Health and Academic Outcomes, Fact Sheet, November 2009

Instruction

Management Resources: (continued)

Building Healthy Communities: A School Leader's Guide to Collaboration and Community Engagement, 2009

Physical Education and California Schools, Policy Brief, rev. October 2007

Monitoring for Success: Student Wellness Policy Implementation Monitoring Report and Guide, 2007

Student Wellness: A Healthy Food and Physical Activity Policy Resource Guide, rev. April 2006

CDE PUBLICATIONS

*Physical Education Framework for California Public Schools: Kindergarten Through Grade 12, 1996
2009*

CDE PROGRAM ADVISORIES

0418.89-Physical Education, April 18, 1989

CDHS PUBLICATIONS

Jump Start Teens, 1997

Playing the Policy Game, 1999

School Idea and Resource Mini-Kit, 2000

CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS

Physical Education Framework for California Public Schools: Kindergarten Through Grade 12, 2009

Physical Education Model Content Standards for California Public Schools: Kindergarten Through Grade 12, January 2005

Adapted Physical Education Guidelines for California Schools, 2003

CDC PUBLICATIONS

School Health Index for Physical Activity and Healthy Eating: A Self-Assessment and Planning Guide for Elementary and Middle/High Schools, 2000

NASBE PUBLICATIONS

Fit, Healthy and Ready to Learn, 2000

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PUBLICATIONS

2008 Physical Activity Guidelines for Americans, October 2008

WEB SITES

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

CDE, Nutrition Services Division/SHAPE-California: <http://www.cde.ca.gov/nsd>

CDHS, School Health Connections: <http://www.meh.dhs.ca.gov/programs/shc/she.htm>

California Department of Education, Physical Fitness Testing: <http://www.cde.ca.gov/ta/tg/pf>

California Healthy Kids Resource Center: <http://www.californiahealthykids.org>

California Project LEAN (Leaders Encouraging Activity and Nutrition):

<http://www.californiaprojectlean.org>

National School Boards Association: <http://www.schoolhealth@nsba.org>

National Association of State Boards of Education (NASBE): <http://www.boards@nasbe.org>

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

Educational Data System, California physical fitness: <http://www.eddata.com/projects/current/cpf>

Healthy People 2010: <http://www.healthypeople.gov>

National Association for Sport and Physical Education: <http://www.aahperd.org/naspe>

President's Council on Physical Fitness and Sports: <http://www.fitness.gov>

The California Endowment: <http://www.calendow.org>

U.S. Department of Health and Human Services: <http://www.health.gov>

Policy
adopted: September 5, 2007
revised:

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Manhattan Beach, California

Instruction

Definitions

Physical education is a sequential educational program that teaches students to understand and participate in regular physical activity for developing and maintaining physical fitness throughout their lifetimes, understand and improve their motor skills, enjoy using their skills and knowledge to establish a healthy lifestyle, and understand how their bodies work.

Physical activity is bodily movement that is produced by the contraction of skeletal muscle and that substantially increases energy expenditure, including exercise, sport, dance, and other movement forms.

Moderate physical activity is any activity which generally requires sustained, rhythmic movements and refers to a level of effort a healthy individual might expend while, for example, walking briskly, dancing, swimming, or bicycling on level terrain. A person should feel some exertion but should be able to carry on a conversation comfortably during the activity.

Vigorous physical activity is any activity which generally requires sustained, rhythmic movements and refers to a level of effort a healthy individual might expend while, for example, jogging, participating in high-impact aerobic dancing, swimming continuous laps, or bicycling uphill. Vigorous physical activity may be intense enough to result in a significant increase in heart and respiration rate.

Instructional Time

Instruction in physical education shall be provided for a total period of time of not less than 200 minutes each 10 school days for students in grades 1-6 and not less than 400 minutes each 10 school days for students in grades 7-12. (Education Code 51210, 51222)

~~Students in grades 10-12 who are exempted from physical education pursuant to Education Code 51241(b)(1) or (c) shall not be permitted to attend fewer total hours of courses and classes than they would have attended if enrolled in a physical education course. Students in a regional occupational program or center who are exempted from physical education pursuant to Education Code 52316 shall have a minimum school day of 180 minutes. (Education Code 51241, 52316)~~

Students in grades 10-12 who have been granted a two-year exemption pursuant to Education Code 51241(b) shall be offered a variety of elective physical education courses of not less than 400 minutes each 10 school days. (Education Code 51222)

Instruction

Students in grades 10-12 who have been granted a two-year or permanent exemption from physical education pursuant to Education Code 51241(b)(1) or (c) shall not be permitted to attend fewer total hours of courses and classes than they would have attended if enrolled in a physical education course. (Education Code 51241)

Students in a regional occupational program or center who are exempted from physical education pursuant to Education Code 52316 shall have a minimum school day of 180 minutes. (Education Code 52316)

(cf. 6178.2 - Regional Occupational Center/Program)

Monitoring Moderate to Vigorous Physical Activity

To monitor whether students are engaged in moderate to vigorous physical activity for at least 50 percent of physical education class or session time, the Superintendent or designee may:

- 1. Develop methods to estimate the amount of time students spend in moderate to vigorous physical activity or the number of students who are inactive during physical education classes*
- 2. Provide physical education teachers with staff development, self-monitoring tools, stopwatches, and/or heart rate monitors to assist them in planning and assessing the level of activity in their classes*

(cf. 4115 - Evaluation/Supervision)

Physical Performance Testing

~~During the month~~ *the annual assessment window between the months of February through March, April or May, students in grades 5, 7 and 9 shall undergo be administered the physical performance testing designated by the State Board of Education. Students with a physical disability and students who are physically unable to take all of the test shall undergo as much of the test as their physical condition will permit. (Education Code 60800; 5 CCR 1041)*

(cf. 6162.5 - Student Assessment)

~~Students shall be provided with their individual results after completing the physical performance testing. The test results may be provided orally as the student completes the testing. (Education Code 60800)~~

~~Each student's scores on the physical performance test shall be included in his/her cumulative record. (5 CCR 1044)~~

Instruction

(cf. ~~5125~~ - Student Records)

The Superintendent or designee may provide a make-up date for students who are unable to take the test based on absence or temporary physical restriction or limitations, such as students recovering from illness or injury. (5 CCR 1043)

On or before November 1 of each school year, the Superintendent may designate an employee to serve as the district's physical fitness test coordinator and so notify the test contractor. The test coordinator shall serve as the liaison between the district and California Department of Education for all matters related to the physical fitness test. His/her duties shall be those specified in 5 CCR 1043.4, including, but not limited to, overseeing the administration of the test and the collection and return of all test data to the test contractor. (5 CCR 1043.4)

Students shall be provided with their individual results after completing the physical performance testing. The test results may be provided in writing or orally as the student completes the testing and shall be included in his/her cumulative record. (Education Code 60800; 5 CCR 1043.10, 1044)

(cf. 5125 - Student Records)

Each student's test results shall also be provided to his/her parents/guardians.

The Superintendent or designee shall report the aggregate results of the physical fitness testing in the annual school accountability report card required by Education Code 33126 and 35256. (Education Code 60800)

(cf. 0510 - School Accountability Report Card)

Testing Variations

All students may be administered the state's physical fitness test with the following test variations: (5 CCR 1047)

- 1. Extra time within a testing day*
- 2. Test directions that are simplified or clarified*

Instruction

All students may have the following test variations if they are regularly used in the classroom: (5 CCR 1047)

- 1. Audio amplification equipment*
- 2. Separate testing for individual students provided that they are directly supervised by the test examiner*
- 3. Manually Coded English or American Sign Language to present directions for test administration*

Students with a physical disability and students who are physically unable to take all of the test shall undergo as much of the test as their physical condition will permit. (Education Code 60800; 5 CCR 1047)

Students with disabilities may be provided the following accommodations if specified in their individualized education program (IEP) or Section 504 plan: (5 CCR 1047)

- 1. Administration of the test at the most beneficial time of day to the student after consultation with the test contractor*
- 2. Administration of the test by a test examiner to the student at home or in the hospital*
- 3. Any other accommodation specified in the student's IEP or Section 504 plan for the physical fitness test*

(cf. 6159 - Individualized Education Program)

(cf. 6164.6 - Identification and Education Under Section 504)

Identified English learners may be allowed the following additional test variations if regularly used in the classroom: (5 CCR 1048)

- 1. Separate testing with other English learners, provided that they are directly supervised by the test examiner*
- 2. Test directions translated into their primary language, and the opportunity to ask clarifying questions about the test directions in their primary language*

Additional Opportunities for Physical Activity

The Superintendent or designee shall implement strategies for increasing opportunities for physical activity outside the physical education program, which may include, but not be limited to:

Instruction

1. *Training recess and lunch supervisors on methods to engage students in moderate to vigorous physical activity*

*(cf. 1240 - Volunteer Assistance)
(cf. 4231 - Staff Development)
(cf. 5030 - Student Wellness)*

2. *Encouraging teachers to incorporate physical activity into the classroom*

3. *Establishing extracurricular activities that promote physical activity, such as school clubs, intramural athletic programs, dance performances, special events, and competitions*

*(cf. 6145 - Extracurricular and Cocurricular Activities)
(cf. 6145.5 - Student Organizations and Equal Access)*

4. *Incorporating opportunities for physical activity into before- or after-school programs and/or child care and development programs*

*(cf. 5148 - Child Care and Development Program)
(cf. 5148.2 - Before/After School Program)*

5. *Exploring opportunities for joint use of facilities or grounds in order to provide adequate space for students and community members to engage in recreational activities*

(cf. 1330.1 - Joint Use Agreements)

6. *Developing business partnerships to maximize resources for physical activity equipment and programs*

(cf. 1700 - Relations Between Private Industry and the Schools)

7. *Developing programs to encourage and facilitate walking, bicycling, or other active transport to and from school*

(cf. 5142.2 - Safe Routes to School Program)

Regulation
approved: September 5, 2007
reviewed:

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Manhattan Beach, California

G. BOARD BUSINESS

16. **TITLE:** Receive for First Reading and Adoption **REVISED** Board Policy and, for Review, Administrative Regulation 3515.2, Disruptions

BACKGROUND: The Policy is updated to reflect **NEW LAW (AB 1390)** which requires the principal to inform law enforcement when anyone possesses a firearm or explosive or sells or furnishes a firearm on school grounds, and **NEW LAW (AB 870)** which prohibits razor blades and box cutters on school grounds or at school activities. The Regulation is reorganized and expanded to clarify the circumstances under which the principal or designee may direct persons to leave school grounds and to reflect **NEW LAW (SB 492)** which makes it a misdemeanor for anyone to loiter around a school and enhances penalties for specified loiterers.

FISCAL IMPACT: None

ACTION RECOMMENDED: Receive for First Reading and Adoption **REVISED** Board Policy and, for Review, Administrative Regulation 3515.2, Disruptions

PREPARED BY: Ellyn Schneider, Executive Director, Student Services

DATE OF MEETING: June 2, 2010

AGENDA NOTE AGENDA NOTE AGENDA NOTE

Business and Noninstructional Operations

~~In order to help maintain an educational environment that provides for student safety, the Governing Board is committed to keeping the schools free from disruptions and to keeping unauthorized persons from entering school grounds. **The Governing Board is committed to providing a safe environment for district students, staff, and others while they are on district property or engaged in school activities.**~~

The Superintendent or designee shall ~~provide for the prompt removal of~~ **remove** any individual ~~who, by his/her presence or action, from school grounds who~~ disrupts or threatens to disrupt normal ~~district or~~ school operations, threatens the health and safety of ~~students or staff, of~~ **anyone on district property** or threatens to cause property damage ~~to district property or to any other property on school grounds.~~ in accordance with law, Board policy, or administrative regulation.

- ~~(cf. 1250 - Visitors/Outsiders)~~
- ~~(cf. 3515 - Campus Security)~~
- ~~(cf. 4118 - Suspension/Disciplinary Action)~~
- ~~(cf. 4158/4258/4358 - Employee Security)~~
- ~~(cf. 4218 - Dismissal/Suspension/Disciplinary Action)~~
- ~~(cf. 5131.4 - Student Disturbances)~~

The Superintendent or designee shall establish a plan describing ~~actions to be taken, including~~ staff responsibilities **and actions to be taken** when an individual is causing a disruption. In developing such a plan, the Superintendent or designee shall consult with law enforcement to create guidelines for law enforcement support and intervention in the event of a disruption.

- ~~(cf. 0450 - Comprehensive Safety Plan)~~
- ~~(cf. 3515.3 - District Police/Security Department)~~
- ~~(cf. 3516 - Emergencies and Disaster Preparedness Plan)~~

~~School staff shall be trained to recognize when an individual has committed acts that constitute a disruption in violation of Board policy or administrative regulation. **The Superintendent or designee shall provide training to school staff on how to identify and respond to actions or situations that may constitute a disruption.**~~

- ~~(cf. 4131 - Staff Development)~~
- ~~(cf. 4231 - Staff Development)~~
- ~~(cf. 4331 - Staff Development)~~

Staff **Any employee** who believes that a disruption may occur shall immediately contact the principal. **The principal or designee shall notify law enforcement in accordance with Education Code 48902 and 20 USC 7151 and in other situations, as appropriate.**

Disruptions

BP 3515.2 (b)

Business and Noninstructional Operations

~~(cf. 4131 - Staff Development)~~

~~(cf. 4231 - Staff Development)~~

Gun-Free Safe School Zone

~~Possession of unauthorized firearms, weapons, or other dangerous instruments is prohibited within 1,000 feet of school grounds without the written permission of school authorities. (Penal Code 626.9, 626.10)~~ ***Possession of a firearm within 1000 feet of any district school is prohibited except when authorized by law. (Penal Code 626.9)***

Possession of any other unauthorized weapon or dangerous instrument is prohibited on school grounds or buses and at school-related or school-sponsored activities without the written permission of school authorities.

(cf. 5131.7 - Weapons and Dangerous Instruments)

(cf. 5144.1 - Suspension and Expulsion/Due Process)

(cf. 5144.2 - Suspension and Expulsion/Due Process (Students with Disabilities))

Legal Reference:

EDUCATION CODE

32210 Willful disturbance of public school or meeting, misdemeanor

32211 Threatened disruption or interference with classes; misdemeanor

35160 Authority of governing boards

44810 Willful interference with classroom conduct

44811 Disruption of classwork or extracurricular activities

48902 Notification of law enforcement authorities

51512 Prohibited use of electronic listening or recording device

PENAL CODE

243.5 Assault or battery on school property

415.5 Disturbance of peace of school

626-626.11 Schools, crimes, especially:

626.7 Failure to leave campus or facility; wrongful return; penalties; notice; exceptions

626.8 Disruptive presence at schools

626.81 Misdemeanor for registered sex offender to come onto school grounds

626.85 Misdemeanor for specified drug offender presence on school grounds

626.9 Gun Free School Zone Act

627-627.10 Access to school premises

653b Loitering about schools or public places

12556 Imitation firearms

UNITED STATES CODE, TITLE 20

7151 Gun-Free Schools Act

Disruptions

BP 3515.2 (c)

Business and Noninstructional Operations

Legal Reference: (continued)

COURT DECISIONS

Reeves v. Rocklin Unified School District, (2003) 109 Cal. App. 4th 652

In Re Joseph F., (2000) 85 Cal. App. 4th 975

In Re Jimi A., (1989) 209 Cal. App. 3d 482

In Re Oscar R., (1984) 161 Cal. App 3d 770

ATTORNEY GENERAL OPINIONS

79 Ops. Cal. Atty. Gen. 58 (1996)

Management Resources:

CSBA PUBLICATIONS

911! A Manual for Schools and the Media During a Campus Crisis, 2001

U.S. DEPARTMENT OF EDUCATION PUBLICATIONS

Practical Information on Crisis Planning: A Guide for Schools and Communities, May 2003

WEB SITES

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

California Department of Education, Safe Schools Office: <http://www.cde.ca.gov/ls/ss>

U.S. Department of Education, Emergency Planning: <http://www.ed.gov/admins/lead/safety/emergencyplan>

Policy

adopted: March 2, 2006

revised: September 5, 2007

revised:

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

Manhattan Beach, California

Disruptions

AR 3515.2 (a)

Business and Noninstructional Operations

The principal or designee may direct a *any person, except a student, school employee, or other person required by his/her employment to be on school grounds*, to leave school grounds if: (Education Code 44810, 44811; Penal Code 415.5, 626.7, 626.8, 626.81, 626.85)

1. ~~when there is a~~ *The principal or designee has* reasonable basis for concluding that the person is committing or has entered campus with the purpose of committing an act that *which* is likely to interfere with the peaceful conduct, discipline, good order, or administration of *the school or* school activities, or with the intent to inflict damage ~~on~~ *to* any person or property. He/she may also ask a person to leave who uses loud and/or offensive language which could provoke a violent reaction or a person who has otherwise established a continued pattern of unauthorized entry on school grounds. This shall not apply if that person is a student, school employee, or other person required by his employment to be on school grounds. (Education Code 44810, 44811; Penal Code 415.5, 626.7, 626.8)
2. *The person fights or challenges another person to a fight, willfully disturbs another person by loud and unreasonable noise, or uses offensive language which could provoke a violent reaction.*

(cf. 4158/4258/4358 - Employee Security)

3. *The person loiters around a school without lawful business for being present or reenters a school within 72 hours after he/she was asked to leave.*
4. *The person is required to register as a sex offender pursuant to Penal Code 290.*

However, a registered sex offender may be on school grounds if he/she has a lawful purpose and written permission from the principal or designee.

(cf. 3515.5 - Sex Offender Notification)

~~The principal or designee may also direct a specified drug offender to leave school grounds, unless that person is a student at the school, a parent/guardian of a child attending the school, or he/she has prior written permission for entry from the principal or designee. (Penal Code 626.85)~~

5. *The person is a specified drug offender as defined in Penal Code 626.85.*

(cf. 1240 - Volunteer Assistance)

However, a specified drug offender may be on school grounds with written permission from the principal or designee or, if he/she is a parent/guardian of a child enrolled in that school, to attend a school activity.

Disruptions

AR 3515.2 (b)

Business and Noninstructional Operations

6. *The person has otherwise established a continued pattern of unauthorized entry on school grounds.*

The principal or designee shall allow a parent/guardian who was previously directed to leave school grounds to reenter for the purpose of retrieving his/her child for disciplinary reasons, medical attention, or family emergencies, or with the principal or designee's prior written permission. (Penal Code 626.7, 626.85)

When directing any person to leave school premises, the principal or designee shall inform the person that he/she will be guilty of a crime if he/she:

1. Remains after being directed to leave (~~Education Code 44811~~; Penal Code 626.7 626.8, 626.85)
2. Returns to the campus without following the school's posted registration requirements (Penal Code 626.7)
3. Returns within seven days after being directed to leave (Penal Code 626.8, 626.85)

*(cf. 0450 - Comprehensive Safety Plan)
(cf. 1250 - Visitors/Outsiders)
(cf. 3515.3 - District Police/Security Department)
(cf. 4158/4258/4358 - Employee Security)
(cf. 5131.4 - Student Disturbances)*

~~The principal or designee may direct a person who is required to register as a sex offender to immediately leave school grounds, unless he/she is on school grounds for lawful business and with the principal's permission. If such a person does not leave school grounds, the principal or designee shall inform the person that he/she may be guilty of a crime.~~

(cf. 3515.5 - Sex Offender Notification)

~~The principal or designee shall notify law enforcement as appropriate.~~

Appeal Procedure

Any person who is asked to leave a school building or grounds may appeal to the Superintendent or designee. This appeal shall be made no later than the second school day after the person has departed from the school building or grounds. After reviewing the matter with the principal or designee and the person making the appeal, the Superintendent or designee shall render his/her decision within 24 hours after the appeal is made, and this decision shall be binding. (Education Code 32211)

Disruptions

AR 3515.2 (c)

Business and Noninstructional Operations

The decision of the Superintendent or designee may be appealed to the Governing Board. Such an appeal shall be made no later than the second school day after the Superintendent or designee has rendered his/her decision. The Board shall consider and decide the appeal at its next scheduled regular or adjourned regular public meeting. The Board's decision shall be final. (Education Code 32211)

Regulation
approved: March 2, 2006
revised: September 5, 2007
reviewed:

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Manhattan Beach, California

G. BOARD BUSINESS

17. **TITLE:** Receive for first reading and adoption **REVISED** Board Policy 5131, Conduct

BACKGROUND: This updated policy (item #3 definition of cyberbullying and section entitled "Bullying/Cyberbullying") reflects **NEW COURT DECISION** which held that a district may discipline a student for off-campus conduct that is brought to the attention of school officials when the conduct causes, or is likely to cause, a "substantial disruption" of school activities which is more than embarrassment or personality conflicts typical in schools.

FISCAL IMPACT: None

ACTION RECOMMENDED: Receive for first reading and adoption **REVISED** Board Policy 5131, Conduct

PREPARED BY: Ellyn Schneider, Executive Director, Student Services

DATE OF MEETING: June 2, 2010

AGENDA NOTE AGENDA NOTE AGENDA NOTE

Conduct

BP 5131 (a)

Students

The Governing Board believes that all students have the right to be educated in a positive learning environment free from disruptions. Students shall be expected to exhibit appropriate conduct that does not infringe upon the rights of others or interfere with the school program while on school grounds, while going to or coming from school, while at school activities, and while on district transportation.

(cf. 5131.1 - Bus Conduct)

(cf. 6145.2 - Athletic Competition)

Conduct is considered appropriate when students are diligent in study, careful with school property, courteous, and respectful toward their teachers, other staff, students, and volunteers.

The Superintendent or designee shall ensure that each school site develops standards of conduct and discipline consistent with district policies and administrative regulations. Students and parents/guardians shall be notified of district and school rules related to conduct and shall receive regular instruction regarding these rules.

Prohibited student conduct includes, but is not limited to:

1. Conduct that endangers students, staff, or others

(cf. 0450 - Comprehensive Safety Plan)

(cf. 5131.7 - Weapons and Dangerous Instruments)

(cf. 5142 - Safety)

2. Conduct that disrupts the orderly classroom or school environment

(cf. 5131.4 - Student Disturbances)

3. Harassment of students or staff, including, **but not limited to**, bullying, cyberbullying, intimidation, hazing or initiation activity, ridicule, extortion, or any other verbal, written, or physical conduct that causes or threatens to cause **violence**, bodily harm, emotional suffering, **or substantial disruption**, in accordance with the section entitled "Bullying/Cyberbullying" below.

"Cyberbullying" includes the transmission of communications, the posting of harassing messages, direct threats, ~~social cruelty~~, or other harmful texts, **sounds**, or images on the Internet, social networking sites, or other digital technologies using a telephone, computer, or any wireless communication device. Cyberbullying also includes breaking into another person's **electronic** account and assuming that person's identity in order to damage that person's reputation. ~~or friendships~~.

(cf. 5145.3 - Nondiscrimination/Harassment)

Conduct

BP 5131 (b)

Students

(cf. 5145.7 - Sexual Harassment)
(cf. 5145.9 - Hate-Motivated Behavior)

4. Damage to or theft of property belonging to students, staff, or the district

(cf. 3515.4 - Recovery for Property Loss or Damage)
(cf. 5131.5 - Vandalism, Theft and Graffiti)

5. Possession or use of laser pointers on school premises, unless used for a valid instructional or other school-related purpose, including employment (Penal Code 417.27)

Prior to bringing a laser pointer on school premises, students shall first obtain permission from the principal or designee. The principal or designee shall determine whether the requested use of the laser pointer is for a valid instructional or other school-related purpose.

6. Use of profane, vulgar, or abusive language

(cf. 5145.2 - Freedom of Speech/Expression)

7. Plagiarism or dishonesty in school work or on tests

(cf. 5131.9 - Academic Honesty)
(cf. 6162.54 - Test Integrity/Test Preparation)
(cf. 6162.6 - Use of Copyrighted Materials)

8. Inappropriate attire

(cf. 5132 - Dress and Grooming)

9. Tardiness or unexcused absence from school

(cf. 5113 - Absences and Excuses)
(cf. 5113.1 - Truancy)

10. Failure to remain on school premises in accordance with school rules

11. Possession, use, or being under the influence of tobacco, alcohol, or other prohibited drug in violation of school rules

(cf. 5131.6 - Alcohol and Other Drugs)
(cf. 5131.62 - Tobacco)
(cf. 5131.63 - Steroids)

Students

Employees are expected to provide appropriate supervision to enforce standards of conduct and, if they observe or receive a report of a violation of these standards, to immediately intervene or call for assistance. If an employee believes a matter has not been resolved, he/she shall refer the matter to his/her supervisor or administrator for further investigation.

Students who violate district or school rules and regulations may be subject to discipline including, but not limited to, suspension, expulsion, transfer to alternative programs or denial of participation in extracurricular or cocurricular activities in accordance with Board policy and administrative regulation. The Superintendent or designee shall notify local law enforcement as appropriate.

(cf. 1020 - Youth Services)

(cf. 1400 - Relations Between Other Governmental Agencies and the Schools)

(cf. 5020 - Parent Rights and Responsibilities)

(cf. 5127 - Graduation Ceremonies and Activities)

(cf. 5144 - Discipline)

(cf. 5144.1 - Suspension and Expulsion/Due Process)

(cf. 5144.2 - Suspension and Expulsion/Due Process (Students with Disabilities))

(cf. 6020 - Parent Involvement)

(cf. 6145 - Extracurricular and Cocurricular Activities)

(cf. 6184 - Continuation Education)

(cf. 6185 - Community Day School)

Students also may be subject to discipline, *in accordance with law, Board policy, or administrative regulation*, for any off-campus conduct during non-school hours which poses a threat or danger to the safety of students, staff, or district property or substantially disrupts the educational program of the district or any other district in accordance with law, Board policy or administrative regulation *school activities*.

Possession/*Use* of Cellular Phones and Other Mobile Communications Devices

No student shall be prohibited from possessing or using an electronic signaling device that is determined by a licensed physician or surgeon to be essential for the student's health and the use of which is limited to health-related purposes. (Education Code 48901.5)

Students may possess or use on school campus personal electronic signaling devices including, but not limited to, pagers, beepers, and cellular/digital telephones, as well as other mobile communications devices including, but not limited to, digital media players, personal digital assistants (PDAs), compact disc players, portable game consoles, cameras, digital scanners, and laptop computers, provided that such devices do not disrupt the educational program or school activity and are not used for illegal or unethical activities such as cheating on assignments or tests.

Students

If a disruption occurs or a student uses any mobile communications device for improper activities, a school employee shall direct the student to turn off the device and/or shall confiscate it. If a school employee finds it necessary to confiscate a device, he/she shall return it at the end of the class period or school day. ~~or keep it until the principal or designee has consulted with the student's parent/guardian.~~

In accordance with the Board's policy and administrative regulation *5145.12 – Search and Seizure*, ~~on search and seizure~~, a school official may search a student's mobile communications device, including, but not limited to, reviewing messages or viewing pictures.

(cf. 5145.12 - Search and Seizure)

Students shall not use mobile communications devices, even in hands-free mode, while driving on school grounds or to or from a school-related activity.

A student who violates this policy may be prohibited from possessing a mobile communications device at school or school-related events and/or may be subject to further discipline in accordance with Board policy and administrative regulation.

Bullying/Cyberbullying

The Board desires to prevent bullying by establishing a positive, collaborative school climate and clear rules for student conduct.

(cf. 5137 - Positive School Climate)

(cf. 5138 - Conflict Resolution/Peer Mediation)

(cf. 6164.2 - Guidance/Counseling Services)

The district may provide students instruction, in the classroom or other school settings, that promotes communication, social skills, and assertiveness skills and educates students about appropriate online behavior and strategies to prevent and respond to bullying and cyberbullying. This instruction may involve parents/guardians, staff, and community members.

(cf. 1220 - Citizen Advisory Committees)

(cf. 6163.4 - Student Use of Technology)

School staff shall receive related professional development, including information about early warning signs of harassing/intimidating behaviors and effective prevention and intervention strategies. Parents/guardians and students also may be provided with similar information.

Conduct

BP 5131 (e)

Students

(cf. 4131 - Staff Development)

(cf. 4231 - Staff Development)

(cf. 4331 - Staff Development)

(cf. 5136 - Gangs)

Students may submit a verbal or written complaint of conduct they consider to be bullying to a teacher or administrator and may also request that their name be kept in confidence. The Superintendent or designee may establish other processes for students to submit anonymous reports of bullying. Complaints of bullying or harassment shall be investigated and resolved in accordance with the same site-level grievance procedures specified in AR 5145.7 - Sexual Harassment.

When a student is suspected of or reported to be using electronic or digital communications to engage in cyberbullying against other students or staff, or to threaten district property, the investigation shall include documentation of the activity, identification of the source, and a ~~determination of the impact or potential impact on school activity or school attendance.~~ ***specific facts or circumstances that explain the impact or potential impact on school activity, school attendance, or the targeted student's educational performance.***

Students shall be encouraged to save and print any messages sent to them that they feel constitutes cyberbullying and to notify a teacher, principal, or other employee so that the matter may be investigated.

Any student who engages in cyberbullying ~~using district-owned equipment~~, on school premises, or off-campus in a manner that ***causes or is likely to cause a substantial disruption of a*** impacts school activity or school attendance, shall be subject to discipline in accordance with district policies and regulations. If the student is using a social networking site or service that has terms of use that prohibit posting harmful material, the Superintendent or designee also may file a complaint with the Internet site or service to have the material removed.

Legal Reference:

EDUCATION CODE

200-262.4 Prohibition of discrimination

32261 Bullying

35181 Governing board policy on responsibilities of students

35291-35291.5 Rules

44807 Duty concerning conduct of students

48900-48925 Suspension or expulsion, especially:

48908 Duties of students

51512 Prohibition use of electronic listening or recording device in classroom without permission

Conduct

BP 5131 (f)

Students

CIVIL CODE

1714.1 Liability of parents and guardians for willful misconduct of minor

PENAL CODE

288.2 Harmful matter with intent to seduce

313 Harmful matter

417.25-417.27 Laser scope

647 Use of camera or other instrument to invade person's privacy; misdemeanor

647.7 Use of camera or other instrument to invade person's privacy; punishment

653.2 Electronic communication devices, threats to safety

VEHICLE CODE

23124 Use of cellular phones provisional license holders

CODE OF REGULATIONS, TITLE 5

300-307 Duties of pupils

UNITED STATES CODE, TITLE 42

2000h-2000h6 Title IX, 1972 Education Act Amendments

UNITED STATES CODE, TITLE 47

254 Universal service discounts (e-rate)

COURT DECISIONS

J.C. v. Beverly Hills Unified School District, 2009 (CV 08-03824 SVW)

LaVine v. Blaine School District, (2000, 9th Cir.) 257 F.3d 981

Emmett v. Kent School District No. 415, (2000) 92 F.Supp. 1088

Bethel School District No. 403 v. Fraser, (1986) 478 U.S. 675

Tinker v. Des Moines Independent Community School District, (1969) 393 U.S. 503

Management Resources:

CSBA PUBLICATIONS

Cyberbullying: Policy Considerations for Boards, Policy Brief, July 2007

CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS

Bullying at School, 2003

NATIONAL SCHOOL BOARDS ASSOCIATION PUBLICATIONS

Digital Discipline: Off-Campus Student Conduct, the First Amendment and Web Sites, School Law in Review, 2001

NATIONAL SCHOOL SAFETY CENTER PUBLICATIONS

Set Straight on Bullies, 1989

Bullying in School: Fighting the Bullying Battle, 2006

U.S. DEPARTMENT OF EDUCATION PUBLICATIONS

Preventing Bullying: A Manual for Schools and Communities, 1998

Conduct

BP 5131 (g)

Students

Management Resources: (continued)

WEB SITES

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

California Cybersafety for Children: <http://www.cybersafety.ca.gov>

~~California Coalition for Children's Internet Safety:~~ <http://www.cybersafety.ca.gov>

California Department of Education, Safe Schools Office: <http://www.cde.ca.gov/ls/ss>

Center for Safe and Responsible Internet Use: <http://csriu.org> and <http://cyberbully.org>

National School Boards Association: <http://www.nsba.org>

National School Safety Center: <http://www.schoolsafety.us>

~~NetSmartz:~~ <http://www.netsmartz.org>

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

Policy
adopted: March 5, 2008
revised: May 6, 2009
revised:

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Manhattan Beach, California

G. BOARD BUSINESS

18. **TITLE:** Receive for First Reading and Adoption **REVISED** Board Policy and, for review, Administrative Regulation 5131.7, Weapons and Dangerous Instruments

BACKGROUND: The updated **MANDATED** policy reflects a **NEW LAW (AB 1390)** which requires the principal or designee to notify law enforcement when a student possesses a firearm or explosive, or sells or furnishes a firearm, at school. The revised regulation reflects an additional **NEW LAW (AB 870)** which expands the list of prohibited weapons and dangerous instruments to include razor blades and box cutters.

FISCAL IMPACT: None

ACTION RECOMMENDED: Receive for First Reading and Adoption **REVISED** Board Policy and, for review, Administrative Regulation 5131.7, Weapons and Dangerous Instruments

PREPARED BY: Ellyn Schneider, Executive Director, Student Services

DATE OF MEETING: June 2, 2010

AGENDA NOTE AGENDA NOTE AGENDA NOTE

Weapons and Dangerous Instruments

BP 5131.7(a)

Students

~~The Governing Board desires students and staff to be free from the fear and the danger presented by firearms and other weapons and recognizes that they have the right to a safe and secure campus free from psychological and physical harm.~~ ***The Governing Board recognizes that students and staff have the right to a safe and secure campus free from psychological and physical harm and desires to protect them from the dangers presented by firearms and other weapons.***

(cf. 0450 - Comprehensive Safety Plan)
(cf. 5116.1 - Intradistrict Open Enrollment)
(cf. 5131 - Conduct)
(cf. 5144 - Discipline)

Possession of Weapons

The Board prohibits any ~~person other than authorized law enforcement or security personnel~~ ***student*** from possessing weapons, imitation firearms, or dangerous instruments of any kind in school buildings, on school grounds or buses, at school-related or school-sponsored activities away from school, or while going to or coming from school.

Unless he/she has obtained prior written permission as specified below, any student who is determined to have brought a firearm to school or possessed a firearm at school, as verified by a school employee, shall be expelled for not less than one year, except that the Board may set an earlier date for readmission on a case-by-case basis, in accordance with Board policy and administrative regulation. (Education Code 48915; 20 USC 7151)

(cf. 5144.1 - Suspension and Expulsion/Due Process)
(cf. 5144.2 - Suspension and Expulsion/Due Process (Individuals with Disabilities))

Students possessing or threatening others with any weapon, dangerous instrument, or imitation firearm are subject to suspension and/or expulsion in accordance with law, Board policy, and administrative regulations.

Under the power granted to the Board to maintain order and discipline in the schools and to protect the safety of students, staff, and the public, any school employee is authorized to confiscate a weapon, dangerous instrument, or imitation firearm from any person on school grounds.

(cf. 4158/4258/4358 - Employee Security)

Students

The principal or designee shall notify law enforcement authorities when any student possesses a ~~weapon~~ *a firearm, explosive, or other dangerous weapon or instrument* without permission, *sells or furnishes a firearm*, or commits any act of assault with a firearm or other weapon. (20 USC 7151; Education Code 48902; Penal Code 245, 626.9, 626.10; 20 USC 7151)

Advance Permission for Possession of a Firearm for Educational Use

A student who desires to possess or transport a firearm, or imitation firearm, *or other prohibited weapon* on school grounds for an educational purpose shall request prior permission from the principal at least five school days in advance of the planned possession. The student's parent/guardian shall provide written permission explaining the planned use of the weapon and the duration. The student shall also submit a written explanation from the staff person responsible for the school-sponsored activity or class.

On a case-by-case basis, the principal shall determine whether to grant permission for such possession when necessary for a school-sponsored activity or class or as part of the educational program. Factors that shall be considered include, but are not limited to, the planned use of the weapon, the duration and location of the planned use, whether an audience is expected, and any perceived adverse effects to the safety and well-being of students or staff. If the principal grants such permission, he/she shall provide the student and staff person with a written explanation regarding any limitations and the permissible duration of the student's possession.

~~The principal and/or a staff member with knowledge of firearm safety shall inspect the weapon to ensure that necessary safety precautions have been taken, including inspection to ensure that no live ammunition is present. The firearm shall be stored in a locked vehicle or in an appropriate, locked container before and after the educational activity.~~

When the principal or designee grants permission, he/she shall take all necessary precautions to ensure the safety of all persons on school grounds, including, but not limited to, inspecting a firearm to verify that no live ammunition is present. Any weapon allowed shall be stored in a locked vehicle or in an appropriate, locked container before and after its authorized use.

A student granted permission to possess a firearm may be suspended and/or expelled if he/she possesses or uses the weapon inappropriately.

Possession of Pepper Spray

To prevent potential misuse that may harm students or staff, students are prohibited from carrying tear gas or tear gas weapons such as pepper spray on campus or at school activities.

Students

Reporting of Dangerous Objects

The Board encourages students to promptly report the presence of weapons, injurious objects, or other suspicious activity to school authorities. The identity of a student who reports such activity shall remain confidential to the extent permitted by law.

(cf. 5125 - Student Records)

The Superintendent or designee shall develop strategies designed to facilitate student reporting of the presence of injurious objects on school grounds, such as tip hotlines, electronic transmissions, or other methods that preserve the student's anonymity. Incident reports and records shall not identify the student who reported the possession. ~~The strategy shall also provide a method of informing~~ ***The Superintendent or designee also shall inform*** staff, students, and parents/guardians that students who report the presence of injurious objects on school campuses are to be protected and their identity shielded.

(cf. 5138 - Conflict Resolution/Peer Mediation)

Legal Reference:

EDUCATION CODE

35291 Governing board to prescribe rules for discipline of the schools

48900 Grounds for suspension/expulsion

48902 Notification of law enforcement authorities

48915 Required recommendation for expulsions

48916 Readmission

49330-49335 Injurious objects

PENAL CODE

245 Assault with deadly weapon

417.4 Imitation firearm; drawing or exhibiting

626.9 Gun-Free School Zone Act of 1995

626.10 Dirks, daggers, knives, razor or stun gun; bringing or possessing in school

653k Soliciting a minor to commit certain felonies

12001 Control of deadly weapons

12020-12036 Unlawful carrying and possession of concealed weapons

12220 Unauthorized possession of a machine gun

12401-12404 Tear gas

12550-12556 BB devices and imitation firearms

UNITED STATES CODE, TITLE 20

6301-7941 No Child Left Behind Act; especially:

7151 Gun-Free Schools Act

Students

Management Resources:

CSBA PUBLICATIONS

911: A Manual for Schools and the Media During a Campus Crisis, 2001

Protecting Our Schools: Governing Board Strategies to Combat School Violence, 1999

CALIFORNIA DEPARTMENT OF EDUCATION COMMUNICATIONS

0401.01 Protecting Student Identification in Reporting Injurious Objects

U.S. DEPARTMENT OF EDUCATION PUBLICATIONS

Guidance Concerning State and Local Responsibilities Under the Gun-Free Schools Act, January 2004

WEB SITES

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

California Attorney General's Crime and Violence Prevention Center: <http://www.safestate.org>

California Department of Education, Safe Schools: <http://www.cde.ca.gov/lr/ss>

National Alliance for Safe Schools: <http://www.safeschools.org>

National School Safety Center: <http://www.schoolsafety.us>

U.S. Department of Education, Office of Safe and Drug Free Schools:
<http://www.ed.gov/about/offices/list/osdfs/index.html>

Policy
adopted: June 18, 2002
reviewed: September 5, 2007
revised: September 17, 2008
revised:

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Manhattan Beach, California

Students

Prohibited weapons and dangerous instruments include, but are not limited to:

1. Firearms: pistols, revolvers, shotguns, rifles, "zip guns," "stun guns," tasers, and any other device capable of propelling a projectile by the force of an explosion or other form of combustion
2. Knives, *razor blades, and box cutters*: any dirks, daggers, *ice picks*, or other weapons with a fixed, sharpened blade fitted primarily for stabbing, weapons with a blade fitted primarily for stabbing, weapons with a blade longer than ~~3-1/2~~ *2-1/2* inches, folding knives with a blade that locks into place, and razors with an unguarded blade (Education Code 48915; *Penal Code 626.10*)
3. Explosive and/or incendiary devices: pipe bombs, time bombs, cap guns, containers of inflammable fluids, and other hazardous devices
4. Any instrument that expels a metallic projectile, such as a BB or a pellet, through the force of air pressure, carbon dioxide pressure, or spring action, or any spot marker gun (Penal Code 626.10)
5. Any other dangerous device, instrument, or weapon, especially *including* those defined in Penal Code 12020, including a blackjack, slingshot, billy, nunchaku, sandclub, sandbag, metal knuckles, or any metal plate with three or more radiating points with one or more sharp edges designed for use as a weapon
6. Any imitation firearm, defined as a replica of a firearm that is so substantially similar in physical properties to an existing firearm as to lead a reasonable person to conclude that the replica is a firearm (Education Code 48900)

Any employee may take any weapon or dangerous instrument from the personal possession of a student while the student is on school premises or under the authority of the district. (Education Code 49331, 49332)

(cf. 5145.12 - Search and Seizure)

~~If an employee knows that a student possesses any of the above devices, he/she~~ *In determining whether to take possession of the weapon or dangerous instrument, the employee* shall use his/her own judgment as to the dangerousness of the situation and, based upon this analysis, shall do one of the following:

Weapons and Dangerous Instruments

AR 5131.7(b)

Students

1. Confiscate the object and deliver it to the principal immediately
2. Immediately notify the principal, who shall take appropriate action
3. Immediately notify the local law enforcement agency and the principal

(cf. 0450 - Comprehensive Safety Plan)
(cf. 4158/4258/4358 - Employee Security)

When informing the principal about the possession ~~or seizure~~ of a weapon or dangerous device, the employee shall report the name(s) of persons involved, witnesses, location, and the circumstances of ~~any seizure~~ *the possession*.

The principal shall report any possession of a weapon or dangerous instrument, including imitation firearm, to the student's parents/guardians by telephone or in person, and shall follow this notification with a letter.

The employee shall retain possession of the instrument until the risk of its use as a weapon has dissipated or, upon the request of the student's parent/guardian, until the parent/guardian appears and personally takes possession. (Education Code 49331, 49332)

Regulation
approved: July 18, 2002
reviewed: September 5, 2007
reviewed:

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Manhattan Beach, California

G. BOARD BUSINESS

19. **TITLE:** **DELETE** Policy and Review **REVISED** Administrative Regulation 5141.26, Tuberculosis Testing

BACKGROUND: The Unnecessary policy has been deleted. In its place the revised Regulation has been expanded and reorganized to clarify legal requirements pertaining to the circumstances under which students must be screened or tested for tuberculosis and the circumstances under which students subject to the tests will be admitted to or excluded from school.

FISCAL IMPACT: None

ACTION RECOMMENDED: **DELETE** Policy and Review **REVISED** Administrative Regulation 5141.26, Tuberculosis Testing

PREPARED BY: Ellyn Schneider, Executive Director, Student Services

DATE OF MEETING: June 2, 2010

AGENDA NOTE AGENDA NOTE AGENDA NOTE

Tuberculosis Testing

BP 5141.26(a)

Students

~~The Governing Board recognizes that tuberculosis poses a public health threat. Treatment of active cases of this disease is the most effective means of controlling its spread.~~

~~The number of tuberculosis cases in our county is on the rise. The County Public Health Officer therefore requires tuberculosis testing, and follow-up if appropriate, before students enter school.~~

~~The Superintendent or designee may require a tuberculosis skin test when qualified medical personnel reasonably suspect that a student has active tuberculosis. If there is an outbreak of tuberculosis at any school, the Superintendent or designee may require all students at the school to undergo tuberculosis skin tests.~~

~~Students known to have had a positive tuberculosis skin test shall be excluded from school until they provide evidence of a follow-up x-ray and appropriate medical care or are no longer suspected of having active tuberculosis.~~

~~(cf. 5112.2—Exclusions from Attendance)
(cf. 5141.3—Health Examinations)~~

~~All district staff shall receive information on how tuberculosis is spread and how it can be prevented and treated.~~

~~(cf. 4119.43/4219.43/4319.43—Universal Precautions)
(cf. 5141.22—Infectious Diseases)
(cf. 5141.23—Infectious Disease Prevention)~~

Legal Reference:

~~EDUCATION CODE~~

~~48211—Habits and disease~~

~~49450—Rules to insure proper care and secrecy~~

~~49451—Parent's refusal to consent~~

~~HEALTH AND SAFETY CODE~~

~~120230—Exclusion of persons from school~~

~~120875—Providing information to school districts on AIDS, AIDS-related conditions and Hepatitis B~~

~~120880—Information to employees of school district~~

~~121475-121520—Tuberculosis tests for pupils~~

Policy _____ **MANHATTAN BEACH UNIFIED SCHOOL DISTRICT**
adopted: July 14, 1993 _____ Manhattan Beach, California
reviewed: September 5, 2007

Students

Any student with active tuberculosis shall be excluded from attendance at a district school in accordance with AR 5112.2 - Exclusions from Attendance.

(cf. 5112.2 - Exclusions from Attendance)

Students shall be screened or tested for tuberculosis under the following circumstances:

- 1. As part of the comprehensive health screening required for school entry, parents/guardians shall provide evidence within 90 days after their child's entry into first grade that their child has been screened for risk of tuberculosis within the preceding 18 months. (Health and Safety Code 124040, 124085)*

(cf. 5141.32 - Health Screening for School Entry)

~~The following protocol shall be followed for any student who has a positive TB skin test:~~

- ~~1. The parent/guardian must provide the school with the results of a chest x-ray before the student enters class. If no x-ray has been done, the parent/guardian shall be given a TB follow-up form to take to his/her personal physician or to the county public health office. The student must then obtain a chest x-ray and bring proof that the film was taken for school entry.~~
- ~~2. If the TB form is not returned with x-ray results within two weeks, the Superintendent or designee shall contact the student and family for information about the x-ray report.~~
- ~~3. If the student is found to have active infectious tuberculosis on chest x-ray and sputum tests, the student shall not be admitted to school until a physician's note is presented, showing that the student is free of communicable tuberculosis. (Health and Safety Code 121485, 121495)~~
- ~~4. If the x-ray is negative and the student admitted, the Superintendent or designee may contact the student and family again in four to six weeks to determine that they have followed through with a medical appointment for the INH preventive medication program, if indicated.~~

- 2. Whenever ordered by the local health officer, students seeking admission for the first time to a district school at any grade level shall submit to tuberculosis testing. Any student subject to the order shall be admitted to school as follows:*
 - a. The Superintendent or designee shall unconditionally admit the student if he/she, prior to admission, submits a certificate, signed by any public or private medical provider, indicating that he/she has completed an approved tuberculosis examination and is free from active tuberculosis. (Health and Safety Code 121485, 121490, 121500; 22 CCR 41305, 41311, 41313)*

Tuberculosis Testing

AR 5141.26(b)

Students

(cf. 5141.3 - Health Examinations)
(cf. 5141.6 - School Health Services)
(cf. 5148 - Child Care and Development)
(cf. 5148.3 - Preschool/Early Childhood Education)

A student shall not be required to obtain the certificate if his/her parent/guardian or custodian provides the Superintendent or designee with an affidavit stating that the required examination is contrary to his/her beliefs. If there is probable cause to believe that such a student has active tuberculosis, he/she may be excluded from school until the Superintendent or designee is satisfied that he/she is not afflicted. (Health and Safety Code 121505)

- b. A student who has not submitted the certificate may be conditionally admitted provided that he/she receives an approved tuberculin skin test within 10 school days after admission. A student who had a positive skin test and has not subsequently obtained a chest x-ray may be conditionally admitted if he/she receives a chest x-ray within 20 school days after admission. Any student who fails to provide the certificate within those time periods shall be prohibited from further attendance until he/she provides the certificate. (Health and Safety Code 121495; 22 CCR 41315, 41327)*
 - c. Whenever the local health officer so orders, a student may be required to complete an additional examination and provide another certificate indicating that he/she is free of communicable tuberculosis. (Health and Safety Code 121485)*
 - d. At the discretion of the local health officer, the district may admit a student without a certificate if he/she is undergoing or has already undergone preventive treatment for tuberculosis infection or treatment for tuberculosis disease. (22 CCR 41319)*
- 3. Whenever the Superintendent or designee suspects that a student who has not been examined for tuberculosis either has the disease or has been exposed, he/she shall immediately report by telephone to the local health officer. When required by the local health officer, the district shall exclude the student from school until he/she is certified to be free of communicable tuberculosis. (22 CCR 41329)*

The Superintendent or designee shall maintain a record of any student's tuberculosis examination as part of the student's mandatory permanent student record. (22 CCR 41323)

(cf. 5125 - Student Records)

Students

The Superintendent or designee shall annually file a report with the local health department on the results of tuberculosis examinations for all individuals required to complete such examinations in accordance with item #2 above, including, but not necessarily limited to, the number of individuals unconditionally and conditionally admitted and the number of individuals exempted on the basis of their personal beliefs. (22 CCR 41325)

All district staff shall receive information on how tuberculosis is spread and how it can be prevented and treated.

- (cf. 4112.4/4212.4/4312.4 - Health Examinations)*
- (cf. 4119.43/4219.43/4319.43 - Universal Precautions)*
- (cf. 4131 - Staff Development)*
- (cf. 4231 - Staff Development)*
- (cf. 4331 - Staff Development)*
- (cf. 5141.22 - Infectious Diseases)*

Legal Reference:

EDUCATION CODE

- 48213 Prior parent notification of exclusion; exemption*
- 49451 Parent's refusal to consent to health examination*

HEALTH AND SAFETY CODE

- 120230 Exclusion of persons from school when residence is in isolation or quarantine*
- 121365 Duties of local health officer re: tuberculosis control*
- 121475-121520 Tuberculosis tests for students*
- 124025-124110 Child Health and Disability Prevention Program*

CODE OF REGULATIONS, TITLE 5

- 202 Exclusion of students with contagious disease*
- 432 Student records*

3030 Eligibility for special education; tuberculosis that adversely affects educational performance

CODE OF REGULATIONS, TITLE 22

41301-41329 Tuberculosis tests for students

Management Resources:

WEB SITES

- American Lung Association: <http://www.lungusa.org>*
- California Department of Public Health, Tuberculosis Control: <http://www.cdph.ca.gov/programs/tb>*
- Centers for Disease Control and Prevention, Tuberculosis: <http://www.cdc.gov/tb>*
- Health Officers Association of California: <http://www.calhealthofficers.org>*

Regulation

approved: July 14, 1993

reviewed: September 5, 2007

reviewed:

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Manhattan Beach, California

G. BOARD BUSINESS

20. **TITLE:** Review **REVISED** Board Exhibit 5145.6, Parental Notifications

BACKGROUND: The **UPDATED** Exhibit adds notifications related to asbestos inspections, response actions or post-response actions, and type 2 diabetes information; adds legal cites to special education parental rights notice; and revises the notice of intent to audio-record IEP meeting to reflect terminology in law as well as other minor changes.

FISCAL IMPACT: None

ACTION RECOMMENDED: Review **REVISED** Board Exhibit 5145.6, Parental Notifications

PREPARED BY: Ellyn Schneider, Executive Director, Student Services

DATE OF MEETING: June 2, 2010

AGENDA NOTE AGENDA NOTE AGENDA NOTE

Parental Notifications

E 5145.6 (a)

Students

Note: This exhibit lists those notices which must be provided to parent(s)/guardian(s). Unless otherwise indicated, code numbers below refer to the Education Code.

When to Notify	Education or Other Legal Code	Board Policy/ Administrative Regulation #	Subject
I. <u>Annually</u>			
Annually by February 1	35256	BP 0510	School Accountability Report Card provided
Annually	5 CCR 4622	AR 1312.3	Uniform complaint procedures and available appeals and civil law remedies, identity of coordinators
Annually to parent, teacher and employee organizations; in absence of organization, to individual	<i>40 CFR 763.84</i> 40 CFR 763.93	AR 3514	<i>Availability of complete, updated management plan for asbestos-containing material in school buildings</i> <i>asbestos plan; any inspection response, action or post-response actions</i>
Annually at high school <i>to each high school student</i>	66204	BP6143	Copy of list of courses offered student that are certified by UC as meeting admission criteria
Annually	56301	BP 6164.4	Rights of all parents related to special education identification, referral, assessment, instructional planning, implementation and review, and procedures for initiating a referral for assessment

Parental Notifications

E 5145.6(b)

Students

Note: This exhibit lists those notices which must be provided to parent(s)/guardian(s). Unless otherwise indicated, code numbers below refer to the Education Code.

When to Notify	Education or Other Legal Code	Board Policy/ Administrative Regulation #	Subject
II. <u>Beginning of School Year</u>			
Beginning of each school year	20 USC 1681-1688; 42 USC 2000d-2000d-7 34 CFR 106.9	BP 0410 <i>BP 6178</i>	Nondiscrimination on basis of sex, disability, ethnicity or lack of English skills
Beginning of each school year	17612, 48980.3	AR 3514.2	Use of pesticide product active ingredients, Internet address to access information
Beginning of each school year	49510-49520, 48980	BP 3553	Free and reduced price meals
Beginning of each school year	20 USC 6311	AR 4112.24 AR 4222	Right to request information; of professional qualifications of their child's teacher and paraprofessional
Beginning of each school year	49063, 49091.14	AR 5020 AR 5125	Availability of course prospectus
Beginning of each school year	20 USC 1232h	AR 5022	Notice of privacy policy and dates of activities re: survey, health examination, or collection of personal information for marketing
Beginning of each school year	48989	AR 5111.1 AR 5116.1 AR 5117	All statutory attendance options, available local attendance options, options for meeting residency
Beginning of each school year	48205, 48980	BP 5113 AR 5113	Absence for justifiable personal reasons
Beginning of each school year in grades 7-12	46010.1	BP 5113	Absence for confidential medical services

Parental Notifications

E 5145.6(c)

Students

Note: This exhibit lists those notices which must be provided to parent(s)/guardian(s). Unless otherwise indicated, code numbers below refer to the Education Code.

When to Notify	Education or Other Legal Code	Board Policy/ Administrative Regulation #	Subject
II. <u>Beginning of School Year (Continued)</u>			
Beginning of each school year if Board has adopted resolution allowing such absence	46014, 48980	BP 5113 AR 5113	Absence for religious purposes
Beginning of each school year	49063, 49068 49069, 20 USC 1232g, 34 CFR 99.7	BP 5125 AR 5125	Student records; inspect and review, access, types, location, persons responsible, location of log, access criteria, costs of copies, amendment requests, criteria to determine school official legitimate educational interests
Beginning of each school year	49063, 49070	AR 5125 AR 5125.3	Challenge, review and expunging of records
Beginning of each school year	49063, 49073	AR 5125.1	Release of directory information
Beginning of each school year	49423, 49480 48980	AR 5141.21	Administration of prescribed medication
Beginning of each school year	4951, 48980	BP 5141.3	Refusal to consent to physical examination
Beginning of each school year	48216, 48980	BP 5141.31 AR 5141.31	Immunizations
Beginning of each school year	49472, 48980	AR 5143	Availability of insurance
Beginning of each school year	35291, 48980	AR 5144 AR 5144.1	District and site discipline rules

Parental Notifications

E 5145.6(d)

Students

Note: This exhibit lists those notices which must be provided to parent(s)/guardian(s). Unless otherwise indicated, code numbers below refer to the Education Code.

When to Notify	Education or Other Legal Code	Board Policy/ Administrative Regulation #	Subject
II. <u>Beginning of School Year (Continued)</u>			
Beginning of each school year	48980, 231.5	AR 5145.7	Sexual harassment policy as related to students
Beginning of each school year	32255-32255.6, 48980	BP 5145.8 AR 5145.8	Right to refrain from harmful or destructive use of animals
Beginning of each school year	48940	BP 6111	Schedule of minimum days
Beginning of each school year	48980, 52244	AR 6141.5	Availability of state funds to cover costs of advanced placement exam fees
Beginning of each school year for students in grades 7-12	51938, 48980	AR 6142.1	Explanation of sex and HIV/AIDS instruction; right to view A/V materials, who is teaching, request specific Education Code sections, right to excuse
Beginning of each school year for students in grades 9-12	51229, 48970	AR 6143	Explanation of college admission requirements, list of UC and CSU web sites that list certified courses, description of career technical education and CDE Internet address, how students may meet with EA's to help them choose courses or enroll in career technical education courses or both
Beginning of each school year in grades 9-12, and when high school student transfers into the district	48980, 60850	AR 6146.1 AR 6162.52	Requirement to pass the high school exit exam including: date of exam, requirements for passing, consequences of not passing, and that passing is a condition of graduation

Parental Notifications

E 5145.6(e)

Students

Note: This exhibit lists those notices which must be provided to parent(s)/guardian(s). Unless otherwise indicated, code numbers below refer to the Education Code.

When to Notify	Education or Other Legal Code	Board Policy/ Administrative Regulation #	Subject
II. <u>Beginning of School Year (Continued)</u>			
Beginning of each school year	48205, 48980	AR 6154	Grade/credit cannot be reduced due to excused absence if work or test has been completed
Beginning of each school year for districts connected to the Internet	48980, 51870.5	AR 6163.4	Policy on student access to the Internet
For districts receiving Title I funds, not later than 30 days after beginning of school year, to parents of English learners	20 USC 6312	AR 6174	Reasons for placement, level of proficiency, instructional methods, how program meets child's strengths and teaches English, exit requirements, right to choose another program
Beginning of each school year	58501	BP 6181	Alternative schools
Beginning of each school year	48206.3, 48207, 48208, 48980	AR 6183	Availability of home/hospital instruction for students with temporary disabilities

Parental Notifications

E 5145.6(f)

Students

Note: This exhibit lists those notices which must be provided to parent(s)/guardian(s). Unless otherwise indicated, code numbers below refer to the Education Code.

When to Notify	Education or Other Legal Code	Board Policy/ Administrative Regulation #	Subject
III. <u>At Specific Times During the Student's Academic Career</u>			
Before high school student attends specialized secondary program on a university campus	17288	None	University campus buildings may not meet Education Code requirements for structural safety
Upon registration, if K-6 students have not previously been transported	39831.5	AR 3543	School bus safety rules and information, rules of conduct, red in a school bus light danger zone, walking to and from stops
Upon admission to school	48216, 49403; Health and Safety Code 120365, 120370 and 120375	AR 5141.31	Immunizations
When child is enrolled in kindergarten	Health and Safety Code 124085 , 124100	AR 5141.32	Health screening examination
When in kindergarten or 1 st grade, if not previously enrolled in public school	49452.8	AR 5141.32	Requirement for oral health assessment, explanation of importance of teeth, health agency contact, privacy rights
When child first enrolls in a public school, if the school offers a fingerprinting program	32390, 48980	BP 5142.1	Fingerprinting program
To members of athletic Teams	32221.5	AR 5143	Offer of insurance, no-cost and low-cost program options
Before presenting a course using live or dead animals or animal parts	32255-32255.6	BP 5145.8	Right to refrain from harmful or destructive use of animals

Parental Notifications

E 5145.6(g)

Students

Note: This exhibit lists those notices which must be provided to parent(s)/guardian(s). Unless otherwise indicated, code numbers below refer to the Education Code.

When to Notify	Education or Other Legal Code	Board Policy/ Administrative Regulation #	Subject
III. <u>At Specific Times During the Student's Academic Career</u>			
To student in grades 11 and 12, early enough to enable registration for current fall test	5 CCR 11523	AR 6146.2	Notice of proficiency examination provided under Education Code 48412
Within 20 working days of receiving results of standardized achievement tests	60641; 5 CCR 863	AR 6162.51	Results of tests, test purpose, individual use and intended use
Prior to student participation in gifted and talented program	5 CCR 3831	AR 6172	Gifted and talented student program
Upon assessment and reassessment of English proficiency and enrollment in program of education for English Language learners	52164.1, 52164.3, 52173; 5 CCR 11303	AR 6174	Program of education for English language learners
Within 30 calendar days of receipt of <i>CELDT</i> results	5 CCR 11511.5	AR 6174	CELDT test results
Beginning of each term for students who have not passed the exit examination by grade 12	37254	AR 6179	Availability of intensive instruction and services for two consecutive academic years and right to file complaint
Before assigning student to opportunity school/class/program	48637.1	BP 6182 AR 6182	Assignment to an opportunity school/class/program
<i>Before early entry in kindergarten, if offered</i>	<i>48000</i>	<i>AR 5111</i>	<i>Efforts, advantages and disadvantages of early entry</i>
<i>When students entering Grade 7</i>	<i>49452.7</i>		<i>Specified information on type 2 diabetes</i>

Parental Notifications

E 5145.6(h)

Students

Note: This exhibit lists those notices which must be provided to parent(s)/guardian(s). Unless otherwise indicated, code numbers below refer to the Education Code.

When to Notify	Education or Other Legal Code	Board Policy/ Administrative Regulation #	Subject
IV. <u>When Special Circumstances Occur (Continued)</u>			
When parents request guidelines for filing complaint of child abuse at a school site	48987	BP 1312.4 <i>AR 5141.4</i>	Guidelines for filing complaint of child abuse at a school site with local child protective agencies
When provided written decision in response to a complaint re: discrimination, special education, or noncompliance with laws regulating educational program	5 CCR 4631	AR 1312.3	Appeal rights and procedures
Upon receipt of a complaint alleging discrimination	262.3	AR 1312.3	Civil law remedies available to complainants
At least 72 hours before use of pesticide product not included in annual list	17612	AR 3514.2	Intended use of pesticide product
When hearing is requested by person asked to leave school premises	Penal Code 627.5	AR 3515.2	Notice of hearing
For districts receiving Title I funds, when child has been taught for four or more consecutive weeks by a teacher who is not "highly qualified"	20 USC 6311	AR 4112.24	Timely notice to parent of child's assignment
Before any test questioning personal beliefs	51513	AR 5022	Permission for test questioning personal beliefs
When a student is classified a truant	48260.6 <i>48260.5</i>	AR 5113 <i>AR 5113.1</i>	<i>Truancy; Parental obligation availability of alternative program, student consequences</i>

Parental Notifications

E 5145.6(i)

Students

Note: This exhibit lists those notices which must be provided to parent(s)/guardian(s). Unless otherwise indicated, code numbers below refer to the Education Code.

When to Notify	Education or Other Legal Code	Board Policy/ Administrative Regulation #	Subject
IV. <u>When Special Circumstances Occur (Continued)</u>			
When a student is identified as being at risk of retention	48260.5	AR 5113	Parental obligation
When a truant is referred to a SARB or probation department	48263	AR 5113 <i>AR 5113.1</i>	Name and address of SARB or probation department and reason for referral
When interdistrict transfer is requested and not approved or denied within 30 days	46601	AR 5117	Appeal process
When student expelled from another district for certain acts seeks admission	48915.1, 48918	AR 5119	Hearing re: possible danger presented by expelled student
When student in danger of failing a course	49067	AR 5121	Student in danger of failing a course
When student identified as being at risk of retention	48070.5	AR 5123	Student at risk of retention
When student transfers from another district or private school	49068	AR 5125	Right to receive copy of student's record and to challenge its contents
Within 24 hours of release of information to a judge or probation officer	49076	AR 5125	Release of student record information to a judge or probation officer for conducting a truancy mediation program or for presenting evidence at a truancy petition
Before release of information pursuant to court order or subpoena	49077	AR 5125	Release of information pursuant to court order or subpoena
<i>At least once before counseling in grade 7 through 12</i>	<i>221.5 48980</i>	<i>BP 6164.2 AR 6164.2</i>	<i>Course selection and career counseling</i>

Parental Notifications

E 5145.6(j)

Students

Note: This exhibit lists those notices which must be provided to parent(s)/guardian(s). Unless otherwise indicated, code numbers below refer to the Education Code.

When to Notify	Education or Other Legal Code	Board Policy/ Administrative Regulation #	Subject
IV. <u>When Special Circumstances Occur (Continued)</u>			
When sharing student immunization information with an immunization system	Health & Safety 120440	AR 5125	Types of information to be shared, name and address of agency; acceptable use of the information, right to examine; right to refuse to share
When student transfers out of state or records are disclosed without consent pursuant to 34 CFR 99.30	34 CFR 99.34	AR 5125	Right to review records
Prior to conducting initial evaluation	56301, 56329 CFR 300.52	AR 5125	Proposed evaluation plan; related parental rights; Prior written notice
For districts with secondary students receiving Title I Funds	20 USC 7908	AR 5125.1	Notice that parents may request district to not release name, address, phone number of child to military recruiters without prior written consent
Prior to withholding grades, diplomas, or transcripts	48904	AR 5125.2	Damaged school property
When withholding grades, diplomas or transcripts from transferring student	48904.3	AR 5125.2	Next school will continue withholding grades, diplomas or transcripts
When injurious object is taken from student	49332	AR 5131.7	Weapons and dangerous objects
When screening results in suspicion that student has scoliosis	49452.5	BP 5141.3	Scoliosis screening

Parental Notifications

E 5145.6(k)

Students

Note: This exhibit lists those notices which must be provided to parent(s)/guardian(s). Unless otherwise indicated, code numbers below refer to the Education Code.

When to Notify	Education or Other Legal Code	Board Policy/ Administrative Regulation #	Subject
IV. <u>When Special Circumstances Occur (Continued)</u>			
When test results in discovery of visual or hearing defects	49456	BP 5141.3	Vision or hearing test
Before student serves on safety patrol	49302	AR 5142.2	Parental consent
When a district with junior/ high schools does not provide medical/hospital services for injured athletic students	49471	AR 5143	Unavailability of services
At time of suspension	48911	BP 5144.1 AR 5144.1	Notice of suspension
When original period of suspension is extended	48911	AR 5144.1	Extension of suspension
Before holding a closed session re: suspension	48912	AR 5144.1	Intent to hold a closed session re: suspension
When readmission is denied	48916	AR 5144.1	Reasons for denial; determination of assigned program
When expulsion occurs	48916	AR 5144.1	Description of readmission procedures
10 calendar days before expulsion hearing	48918	AR 5144.1	Notice of expulsion hearing
When expulsion or suspension of expulsion occurs	48918	AR 5144.1	Decision to expel; right to appeal to county board; obligation to inform new district of status
When student is released to peace officer	48906	BP 5145.11	Release of student to peace officer

Parental Notifications

E 5145.6(I)

Students

Note: This exhibit lists those notices which must be provided to parent(s)/guardian(s). Unless otherwise indicated, code numbers below refer to the Education Code.

When to Notify	Education or Other Legal Code	Board Policy/ Administrative Regulation #	Subject
IV. <u>When Special Circumstances Occur (Continued)</u>			
When child participates in licensed child care and development program	Health & Safety Code 1596.857	AR 5148	Parent right to enter facility
When child participates in licensed child care and development program	5 CCR 18066	AR 5148	Policies re: unexcused absences
One month before the scheduled minimum day	48980	BP 6111	When minimum days scheduled after beginning of the school year
Before implementing a continuous school program	37616	BP 6117	Continuous school program
Within 14 days of instruction if arrangement made for guest speaker after beginning of school year	51938	BP 6142.1	Instruction in HIV/AIDS or sexual health education by guest speaker or outside consultant
For schools receiving Title I funds, upon development of parent involvement policy	20 USC 6318	AR 6171 AR 6020	Notice of policy
Prior to involuntary transfer to continuation school	48432.5	AR 6184	Right to require a meeting prior to involuntary transfer to continuation school
If school has lost its WASC accreditation status	35178.4	BP 6190	Loss of status, potential consequences
<i>At beginning of school year if student has been Placed in structured English immersion program</i>	<i>310, 5 CCR 11309</i>	<i>AR 6174</i>	<i>Placement of child in program and opportunity to apply for Parental exception waiver</i>

Parental Notifications

E 5145.6(m)

Students

Note: This exhibit lists those notices which must be provided to parent(s)/guardian(s). Unless otherwise indicated, code numbers below refer to the Education Code.

When to Notify	Education or Other Legal Code	Board Policy/ Administrative Regulation #	Subject
V. <u>Special Education Notices</u>			
Disciplinary action taken	20 USC 1415(k) 34 CFR 300.530	AR 5144.2	Decision and procedural safeguards notice
Suspension or change of Placement for more than 10 days	20 USC 1415(k) 34 CFR 300.530	AR 5144.2	Decision and procedural safeguards notice
24 hours before IEP when intending to record	56341.1	AR 6159	Intention to tape <i>audio</i> record IEP meeting
When parent orally requests review of IEP	56343.5	AR 6159	Notice for written request
Prior to participation in special education	56346	AR 6159	Notice of IEP meetings, why participation necessary
Early enough to ensure opportunity for parent to attend IEP meeting	56341.5 34 CFR 300.345 34 CFR 300.322	AR 6159	Time, purpose, location, who in attendance, participation of others with special knowledge, transition statements if appropriate
Whenever there is a proposal or refusal to initiate or change the identification, evaluation or placement, or FAPE	20 USC 1415(c) 34 CFR 300.503	AR 6159.1	Prior written notice
Initial referral for Evaluation	20 USC 1415(d) 34 CFR 300.503	AR 6159.1	Prior written notice and Procedural safeguards notice
Notification of IEP meeting	20 USC 1415(d)	AR 6159.1	Procedural safeguards notice
Prior to conducting Initial evaluation	56301, 56321 56321. 5, 56321.6 56329 CFR 300.52	AR 5125 6164.4	Proposed evaluation plan, related parental rights, Prior written notice

Parental Notifications

E 5145.6(n)

Students

Note: This exhibit lists those notices which must be provided to parent(s)/guardian(s). Unless otherwise indicated, code numbers below refer to the Education Code.

When to Notify	Education or Other Legal Code	Board Policy/ Administrative Regulation #	Subject
V. <u>Special Education Notices (Continued)</u>			
Reevaluation of student	20 USC 1415(d)	AR 6159.1	Procedural safeguards notice
Registration of complaint	20 USC 1415(d) 34 CFR 300.504	AR 6159.1	Procedural safeguards notice
Upon requesting a due process hearing	20 USC 1415(k) 34 CFR 300.507 34 CFR 300.508	AR 6159.1	Child's name, address, school, description of problem, proposed resolution
Before functional behavioral assessment begins	5 CCR 3052	AR 6159.4	Notification and consent
Before modification of behavioral intervention plan	5 CCR 3052	AR 6159.4	Need for modification, right to question modification
Within one school day of emergency intervention or serious property damage	5 CCR 3052	AR 6159.4	Emergency intervention
For student receiving exit exam waiver, prior to receipt of diploma	60852.4	AR 6162.52	Right to FAPA
When 15 days of referral for assessment, for special education programs	56321	AR 6164.4	Proposed assessment plan and related parental rights
Prior to conducting initial evaluation	56329 CFR 300.502	AR 6164.4	Proposed evaluation plan, related parental rights, prior written notice
Upon completion of administration of assessment	56329; 34 CFR 300.502	AR 6164.4	IEP meeting scheduled and determination at meeting

Parental Notifications

E 5145.6(o)

Students

Note: This exhibit lists those notices which must be provided to parent(s)/guardian(s). Unless otherwise indicated, code numbers below refer to the Education Code.

When to Notify	Education or Other Legal Code	Board Policy/ Administrative Regulation #	Subject
V. <u>Special Education Notices (Continued)</u>			
If parent disagrees with assessment	56329 343 CFR 300.502	AR 6164.4	Right to obtain independent educational assessment
VI. <u>Classroom Notices</u>			
In each classroom in each school	35186	AR 1312.4 E 1312.3	Complaint rights re: sufficiency instructional materials, teacher vacancy and misassignment, maintenance of facilities, and, for grades 10-12, right of students who did not pass the exit exam to receive intensive instruction after completion of grade 12

Exhibit
version: September 5, 2007
revision: July 23, 2008
revision: May 19, 2010
reviewed:

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Manhattan Beach, California

G. BOARD BUSINESS

21. **TITLE:** Delete Manhattan Beach Unified District Board Policy 6300, Preschool/Early Childhood Education

BACKGROUND: Manhattan Beach Unified District Board Policy 6300, Preschool/Early Childhood Education, is presented to the Board for deletion. This policy and new regulation have been renumbered to BP/AR 5148.3 – Preschool/Early Childhood Education.

FISCAL IMPACT: None

ACTION RECOMMENDED: Delete Manhattan Beach Unified District Board Policy 6300, Preschool/Early Childhood Education

PREPARED BY: Ellyn Schneider, Executive Director, Student Services

DATE OF MEETING: June 2, 2010

AGENDA NOTE AGENDA NOTE AGENDA NOTE

Instruction

~~The Governing Board recognizes that high-quality preschool experiences for children ages 3-5 help them develop knowledge, skills, and attributes necessary to be successful in school and provide for a smooth transition into the elementary education program. Such programs should provide developmentally appropriate activities in a safe, well-supervised, cognitively rich environment.~~

~~(cf. 6011—Academic Standards)~~

~~(cf. 6143—Courses of Study)~~

District Preschool Programs

~~When the Board determines that it is feasible, the district may provide preschool services at or near district schools.~~

~~Facilities for preschool classrooms shall be addressed in the district's comprehensive facilities plan, including an assessment as to whether adequate and appropriate space exists on school sites. As necessary, the Superintendent or designee shall provide information to the Board regarding facilities financing options for preschool classrooms and/or facilities available through partnering organizations.~~

~~(cf. 7110—Facilities Master Plan)~~

~~(cf. 7210—Facilities Financing)~~

~~To enable children of working parents/guardians to participate in the district's preschool program, the Superintendent or designee shall recommend strategies to provide a full-day program.~~

~~(cf. 5148—Child Care and Development)~~

~~(cf. 5148.1—Child Care Services for Parenting Students)~~

~~Inasmuch as parents/guardians are essential partners in supporting the development of their children, the Superintendent or designee shall involve them in program planning. Program staff shall encourage volunteerism in the program and shall communicate frequently with parents/guardians of enrolled students regarding their child's progress.~~

~~(cf. 1240—Volunteer Assistance)~~

~~(cf. 6020—Parent Involvement)~~

~~The Board shall adopt standards which identify the knowledge, skills, and experience that students will be expected to attain in the district's preschool program in order to be prepared for the early primary grades, including but not be limited to, development of language, cognitive, social, emotional, and physical skills.~~

Instruction

~~The district's preschool program shall provide culturally and linguistically appropriate services and support the needs of English learners. The program also shall provide appropriate services for students with disabilities, including but not limited to early screening to identify special needs among preschool students and intervention services to assist students identified with special needs in accordance with law.~~

~~(cf. 6164.4—Identification and Evaluation of Individuals for Special Education)
(cf. 6164.6—Identification and Education Under Section 504)~~

~~To maximize the ability of children to succeed in the preschool program, program staff shall support students' health through proper nutrition and physical activity and shall provide or make referrals to health and social services.~~

~~(cf. 3550—Food Services/Child Nutrition Program)
(cf. 5030—Student Wellness)
(cf. 5141.32—Health Screening for School Entry)
(cf. 5141.6—Student Health and Social Services)~~

~~The Superintendent or designee shall ensure that administrators, teachers, and paraprofessionals in district preschool programs possess the appropriate credential(s) or permit(s) issued by the Commission on Teacher Credentialing and meet any additional qualifications established by the Board.~~

~~(cf. 4112.2—Certification)
(cf. 4112.4/4212.4/4312.4—Health Examinations)
(cf. 4112.5/4312.5—Criminal Record Check)
(cf. 4212.5—Criminal Record Check)
(cf. 4222—Teacher Aides/Paraprofessionals)~~

~~The Superintendent or designee shall develop and implement an annual plan of evaluation which conforms to state requirements. (5 CCR 18279)~~

~~He/she shall regularly report to the Board regarding enrollments in district preschool programs and the effectiveness of the programs in preparing preschool students for transition into the elementary education program.~~

~~(cf. 0500—Accountability)
(cf. 6190—Evaluation of the Instructional Program)~~

Instruction

Legal Reference:

EDUCATION CODE

~~8200-8498 Child Care and Development Services Act, especially:~~

~~8200-8209 General provisions for child care and development services~~

~~8230-8233 Migrant Child Care and Development Program~~

~~8235-8237 State Preschool Programs~~

~~8240-8244 General child care programs~~

~~8250-8252 Programs for children with special needs~~

~~8263 Eligibility and priorities for subsidized child development services~~

~~8360-8370 Personnel qualification~~

~~8400-8409 Contracts~~

~~8493-8498 Facilities~~

~~54740-54749 Cal SAFE program for pregnant/parenting students and their children~~

HEALTH AND SAFETY CODE

~~1596.70-1596.895 California Child Day Care Act~~

~~1596.90-1597.21 Day care centers~~

~~120325-120380 Immunization requirements~~

CODE OF REGULATIONS, TITLE 5

~~18000-18122 General provisions, general child care programs~~

~~18130-18136 State Preschool Program~~

~~18180-18192 Federal and State-Based Migrant Programs~~

~~18210-18213 Severely Handicapped Program~~

~~18270-18281 Program quality, accountability~~

~~18290-18292 Staffing ratios~~

~~18295 Waiver of qualifications for site supervisor~~

~~18300-18308 Appeals and dispute resolution~~

UNITED STATES CODE, TITLE 20

~~6311-6322 Title I, relative to preschool~~

~~6319 Qualifications for teachers and paraprofessionals~~

~~6371-6376 Early Reading First~~

~~6381-6381k Even Start family literacy programs~~

~~6391-6399 Education of migratory children~~

UNITED STATES CODE, TITLE 42

~~9831-9852 Head Start programs~~

~~9858-9858q Child Care and Development Block Grant~~

CODE OF FEDERAL REGULATIONS, TITLE 22

~~101151-101239.2 General requirements, licensed child care centers, including:~~

~~101151-101163 Licensing and application procedures~~

~~101212-101231 Continuing requirements~~

~~101237-101239.2 Facilities and equipment~~

CODE OF FEDERAL REGULATIONS, TITLE 45

~~1301-1310 Head Start~~

Instruction

Management Resources:

CSBA PUBLICATIONS

Expanding Access to High-Quality Preschool Programs: A Resource and Policy Guide for School Leaders, 2005

CDE PUBLICATIONS

Prekindergarten Learning Development Guidelines, 2000

First Class: A Guide for Early Primary Education, 1999

CDE MANAGEMENT BULLETINS

01-06 The Desired Results for Children and Families System, May 31, 2001

U.S. DEPARTMENT OF EDUCATION PUBLICATIONS

Good Start, Grow Smart, April 2002

WEB SITES

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

California Association for the Education of Young Children: <http://www.caeyc.org>

California Children and Families Commission: <http://www.ccfce.ca.gov>

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

California Head Start Association: <http://caheadstart.org>

Child Development Policy Institute: <http://www.edpi.net>

First 5 Association of California: <http://www.f5ac.org>

National Institute for Early Education Research: <http://nieer.org>

National School Boards Association: <http://www.nsba.org>

Preschool California: <http://www.preschoolcalifornia.org>

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

Policy MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
adopted: September 5, 2007 Manhattan Beach, California

G. BOARD BUSINESS

22. **TITLE:** Review **NEW** Administrative Regulation 5111.2, Nonresidential Foreign Students

BACKGROUND: Effective November 30, 1996, federal immigration law prohibits foreign students from obtaining an F-1 visa to attend public adult or elementary schools (grades K-8). However, pursuant to 8 USC 1184, students may be granted an F-1 visa to attend public school in grades 9-12 for a maximum of one year, as long as the student pays tuition.

The district is not required or authorized to determine the visa status of individual students. This issue will only arise when the student requests an I-20 certification from the district or if the district is contacted by the U.S. Immigration and Customs Enforcement.

Students in the United States with an F-1 visa designation are, by definition, non-residents. Public schools still must provide education to all school-age students who reside within their boundaries, whether or not they are legal residents.

FISCAL IMPACT: None

ACTION RECOMMENDED: Review **NEW** Administrative Regulation 5111.2, Nonresidential Foreign Students

PREPARED BY: Ellyn Schneider, Executive Director, Student Services

DATE OF MEETING: June 2, 2010

AGENDA NOTE AGENDA NOTE AGENDA NOTE

Nonresident Foreign Students

AR 5111.2(a)

Students

Definitions

F-1 Visa Students: An F-1 visa student is a nonimmigrant visa category intended for use by nonresident aliens whose primary purpose for visiting the United States is to study at an academic school. (8 USC 1184)

J-1 Visa Students: A J-1 visa student is a nonimmigrant exchange student who has come to the United States to study for a specific period of time under the sponsorship of a government approved agency. (8 USC 1184)

(cf. 6145.6 - International Exchange)

Nonimmigrant foreign students may be admitted to the United States for a temporary stay for the purpose of study.

Students who are participating in a government approved exchange program and who are placed with host families within the district's boundaries may enroll in the district. The organization sponsoring the foreign exchange student must provide application information to the Superintendent or designee before a foreign exchange student will be admitted.

Students with or seeking an F-1 visa designation shall be not accepted for admission to district schools.

Legal Reference:

EDUCATION CODE

48050-48054 Nonresidents

UNITED STATES CODE, TITLE 8

1184 Foreign students

CODE OF FEDERAL REGULATIONS, TITLE 8

214.3 Petition for school approval

214.4 Withdrawal of school approval

CODE OF FEDERAL REGULATIONS, TITLE 22

41.61 Students; academic and nonacademic

Management Resources:

CDE LEGAL ADVISORIES

0319.97 Amendments to F-1 Student Visa Requirements, LO: 1-97

Regulation
reviewed: June 2, 2010

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Manhattan Beach, California