

D. CONSENT CALENDAR

4. **TITLE:** First Reading of Board Policy, Administrative Regulation, and Exhibit 5116.1, Open Enrollment

BACKGROUND: Attached is the first reading of newly-proposed Board Policy, Administrative Regulation and Exhibit, Open Enrollment. This new policy is to provide clarification of District open enrollment policy and to provide NCLB compliance.

ACTION RECOMMENDED: Accept first reading.

DATE OF BOARD MEETING: January 30, 2008

SUBMITTED BY: Ellyn Schneider, Executive Director of Student Services

AGENDA NOTE AGENDA NOTE AGENDA NOTE

40-

OPEN ENROLLMENT

The Governing Board desires to provide enrollment options that meet the diverse needs and interests of district students. The Superintendent or designee shall establish procedures for the selection and transfer of students among district schools in accordance with law, Board policy and administrative regulation.

(cf. 5117 - Interdistrict Attendance)

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

(cf. 5111.1 - District Residency)
(cf. 5111.11 - Residency of Students with Caregiver)
(cf. 5111.12 - Residency Based on Parent/Guardian Employment)
(cf. 5111.13 - Residency for Homeless Children)

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

Enrollment Priorities

Priority for attendance outside a student's attendance area shall be given as follows:

1. If a district school receiving Title I funds is identified for program improvement, corrective action or restructuring, all students enrolled in that school shall be provided an option to transfer to another district school or charter school. (20 U.S.C. § 6316.)

(cf. 0420.4 - Charter Schools)
(cf. 0520.2 - Title I Program Improvement Schools)
(cf. 6171 - Title I Programs)

2. Beginning in the 2003-04 school year, if while on school grounds a student becomes a victim of a violent criminal offense, as defined by the State Board of Education, or attends a school designated by the California Department of Education as persistently dangerous, he/she shall be provided an option to transfer to another district school or charter school. (20 U.S.C. § 7912; 5 C.C.R. § 11992.)

(cf. 0450 - Comprehensive Safety Plan)

3. The Superintendent or designee may approve a student's transfer to a district school that is at capacity and otherwise closed to transfers upon finding that special circumstances exist that might be harmful or dangerous to the student in the current attendance area, including, but not limited to, threats of bodily harm or threats to the emotional stability of the student. To grant priority under these circumstances, the Superintendent or designee must have received either: (Education Code § 35160.5)

OPEN ENROLLMENT

- a. A written statement from a representative of an appropriate state or local agency, including but not limited to a law enforcement official or social worker, or a properly licensed or registered professional, including, but not limited to, a psychiatrist, psychologist or marriage and family therapist; or
 - b. A court order, including a temporary restraining order and injunction
4. Priority may be given to siblings of students already in attendance in that school.
- 5. Priority may be given to students whose parent/guardian is assigned to that school as his/her primary place of employment.**

For all applications for open enrollment outside a school's attendance area, the Superintendent or designee shall use a random, unbiased selection process to determine who shall be admitted whenever a school receives admission requests that are in excess of the school's capacity. (Education Code § 35160.5)

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

(cf. 6172 - Gifted and Talented Student Program)

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

(cf. 5116 - School Attendance Boundaries)

Legal Reference:

- EDUCATION CODE
- 35160.5 District policies; rules and regulations
- 35291 Rules
- 35351 Assignment of students to particular schools
- 48980 Notice at beginning of term
- CODE OF REGULATIONS, TITLE 5
- 11992-11994 Definition of persistently dangerous schools
- UNITED STATES CODE, TITLE 20
- 6316 Transfers from program improvement schools
- 7912 Transfers from persistently dangerous schools
- CODE OF FEDERAL REGULATIONS, TITLE 34
- 200.36 Dissemination of information
- 200.37 Notice of program improvement status, option to transfer

OPEN ENROLLMENT

Legal Reference: (continued)

- 200.39 Program improvement, transfer option*
- 200.42 Corrective action, transfer option*
- 200.43 Restructuring, transfer option*
- 200.44 Public school choice, program improvement schools*

COURT DECISIONS

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

ATTORNEY GENERAL OPINIONS

85 Ops.Cal.Atty.Gen. 95 (2002)

Management Resources:

U.S. DEPARTMENT OF EDUCATION GUIDANCE

Public School Choice, December 4, 2002

Unsafe School Choice Option, July 23, 2002

WEB SITES

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

CDE: <http://www.cde.ca.gov>

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

Policy
Adopted:

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Manhattan Beach, California

OPEN ENROLLMENT

Enrollment under the No Child Left Behind Act

Within a reasonable amount of time, not to exceed 10 school days, after a student becomes the victim of a violent criminal offense while on school grounds, the student's parents/guardians shall be offered an option to transfer their child to an eligible school identified by the Superintendent or designee. The Superintendent or designee shall consider the student's needs and parent/guardian preferences in making the school assignment. If the parents/guardians choose to transfer their child, the transfer shall be completed as soon as practicable.

Within 10 school days after learning that a school has been designated as "persistently dangerous," the Superintendent or designee shall notify parents/guardians of the school's designation. Within 20 school days after learning of the school's designation, the Superintendent or designee shall notify parents/guardians of their option to transfer.

(cf. 0450 - Comprehensive Safety Plan)

Open Enrollment

To implement open enrollment pursuant to Education Code § 35160.5:

1. The Superintendent or designee shall identify those schools which may have space available for additional students. A list of these schools and open enrollment applications shall be available at all school offices.
2. Students of parents/guardians who submit applications to the district by **March 31** shall be eligible for admission to their school of choice the following school year under the district's open enrollment policy.
3. Enrollment in a school of choice shall be determined by lot from the eligible applicant pool, and a waiting list shall be established from which applicants may be accepted if openings occur during the year. Late applicants shall not be added to the waiting list for the current year.
4. The Superintendent or designee shall inform applicants by mail as to whether their applications have been approved, denied or placed on a waiting list. If the application is denied, the reasons for denial shall be stated.
5. Approved applicants must confirm their enrollment within 10 school days.

Once a student is enrolled in a school through this Open Enrollment process, that student may be subject to displacement during the school year if enrollment exceeds capacity. Students will retain priority rights at their neighborhood school.

OPEN ENROLLMENT

Notifications

Notifications shall be sent to parents/guardians at the beginning of each school year describing all current statutory attendance options and local attendance options available in the district. Such notification shall include: (Education Code § 48980.)

1. All options for meeting residency requirements for school attendance.

(cf. 5111.1 - District Residency)
(cf. 5111.12 - Residency Based on Parent/Guardian Employment)
(cf. 5111.13 - Residency for Homeless Children)

2. Program options offered within local attendance areas.
3. A description of any special program options available on both an interdistrict and intradistrict basis.
4. A description of all options, the procedure for application for alternative attendance areas or programs and the appeals process available, if any, when a change of attendance is denied.
5. A district application form for requesting a change of attendance.
6. The explanation of attendance options under California law as provided by the California Department of Education.

OPEN ENROLLMENT

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
325 So. Peck Ave.
Manhattan Beach, CA 90266
310/318-7345, x5912

OPEN ENROLLMENT APPLICATION
FOR SCHOOL YEAR ___ TO ___

(NO DISTRICT TRANSPORTATION PROVIDED)

Instructions: This application is to be completed if you are a Manhattan Beach Resident and want to move your child to another school within the MBUSD. Read the attached Open Enrollment Board Policies and Administrative Regulations prior to completing this form. Completed applications should be submitted to the Student Services Office, (310) 318-7345, Ext. 5912, by March 31.

Student Name Last First MI Age Birthdate Grade (For year requested)

Address

Name of Parents / Guardian

Home Phone: Work Phone:

School currently attending:

MBUSD School of residence:

MBUSD School requested:

Reason for request:

Parent employed at requested school site: Student has sibling(s) at requested site:

I have read and understand the Open Enrollment Board Policies and Administrative Regulations, attached to this application. I understand that all Open Enrollment transfers are offered on a space-available basis, and that the District will not provide transportation to my child's selected school. I understand that, if my child is enrolled at a school through Open Enrollment, s/he may be subject to displacement during the school year should the school's enrollment exceed capacity. I understand that Open Enrollment must be renewed annually.

Signed: Date:

Approved: Denied: Effective Dates: From To

Authorized Signature

D. CONSENT ITEM:

5. **TITLE:** 08/09 Budget Assumptions, Budget Guidelines, and Budget Development Timeline

BACKGROUND: Each year the board approves the district's budget assumptions, budget guidelines and budget development in January. The purpose is to provide direction to staff as the budget is developed. The information used to develop the budget is provided by the governors January budget and direction from the board and superintendent. Should more information regarding the State of California's budget as it affects education become available, the assumptions will be updated and reviewed with the board.

ACTION RECOMMENDED: Staff recommends approval of the 08/09 budget development assumptions, guidelines, and timeline.

PREPARED BY: Steve Romines

DATE OF BOARD MEETING: January 30, 2008

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

2008-2009

BUDGET DEVELOPMENT CALENDAR

	Action	Responsibility	Due Date
1			
2	Review Highlights of Governor's Proposed Budget with Board	Assistant Superintendent	January 16, 2008
3			
4	Adopt Budget Calendar, Guidelines and Assumptions	Assistant Superintendent	January 29, 2008
5			
6	Certificated Staffing Notices Due	Governing Board	March 15, 2008
7			
8	Staffing Projections Due	Principals/Directors	March 16, 2008
9			
10	Second Interim Report 07/08	Assistant Superintendent	March 12, 2008
11			
12	MBEF and MBAF Budgets Due	Principals/Directors	April 25, 2008
13			
14	Other Funds Budgets Due	Principals/Directors	April 25, 2008
15			
16	Attendance/Enrollment Projections	Assistant Supt./Superintendent	April 30, 2008
17			
18	Board Review of Projected 07/08 District Revenues	Assistant Supt./Superintendent	May 8, 2008
19			
20	Classified Staffing Notices Due	Deputy Superintendent	May 14, 2008
21			
22	Board Review of Projected 08/09 District Expenditures	Assistant Supt./Superintendent	May 14, 2008
23			
24	Final Budget Available for Public Review and Public Notices	Business Office	May 30, 2008
25			
26	Public Hearing for First Reading of 08/09 Final Budget	Governing Board	June 11, 2008
27			
28	Second Reading and Adoption of 08/09 Final Budget	Governing Board	June 25, 2008
29			
30	Final 08/09 Adopted Budget Filed with COE.	Assistant Superintendent	June 30, 2008

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
2008/09
BUDGET GOALS AND GUIDELINES

BUDGET GOALS:

Student Achievement: It is the goal of the Manhattan Beach Unified School district to develop a budget that implements and articulates a curriculum for all grades and schools based on state frameworks, other curriculum documents, and the needs of students. The District's preschool through grade 12 curricula will include high standards of achievement for all students. It is the goal of the Manhattan Beach Unified School District to develop and implement a comprehensive assessment system that monitors student achievement, provides the basis for evaluating the instructional program, and leads to instructional and curricular improvement.

Personnel Practices: It is the goal of the Manhattan Beach Unified School District to attract and retain highly qualified staff. District staffing will always be a high priority of the budget development process. Manhattan Beach Unified School District will seek and promote interagency activities that help retain staff through professional staff development, and classroom support services.

Management Practices: It is the goal of the Manhattan Beach Unified School District to develop a fiscal year budget that considers and ensures the District's ability to fund educational programs in the future. All district-wide, site, and program budgets shall be monitored monthly to ensure fiscal solvency and to maximize quality and equity opportunities for students.

School Facilities: It is the goal of Manhattan Beach Unified School District to provide the financial resources necessary to have safe and clean school facilities that enhance student learning.

Vision Practices: It is the goal of Manhattan Beach Unified School District to provide funds to promote a training model that will foster a district climate and culture of learning, trust, and problem solving thus creating a caring partnership.

BUDGET GUIDELINES:

1. A Budget Calendar shall be developed and used as a planning guide.
2. Budget Assumptions shall be developed, reviewed, and updated on a regular basis. Separate assumptions shall be delineated for each key budget variable:

▶ Enrollment	▶ Transfers
▶ Actual Daily Attendance (ADA)	▶ Estimated Beginning Balances
▶ Personnel (FTE)	▶ Reserve
▶ Estimated Revenue	▶ Long-Term Debt
▶ Estimated Expenditures	▶ Foundations
3. Funds shall be made available in the budget prioritization to provide total compensation to employees in conjunction with collective bargaining commitments.
4. Staffing ratios shall be maintained to comply with current collective bargaining agreements and to maintain equality among sites (per pertinent policies and administrative regulations).
5. A Special Fund Reserve for Economic Uncertainty of 3% shall be maintained in accordance with State Guidelines.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
2008/09
BUDGET GOALS AND GUIDELINES

6. General Fund categorical and grant programs, with the exception of Special Education and Home-to-School Transportation, shall be self-supporting. The EDP and Pre School shall be self supporting and contribute to the general fund reserves, and Child Nutrition Services shall be self-supporting.
7. State and Federal Grants and Entitlements that allow direct support and indirect support charges shall be consistently applied to all funds and programs. Direct support and indirect support charges contribute to the District's costs associated with the cost of doing business. Factors such as instructional support and staff development, payroll, personnel, accounts payable, budgeting, property and liability insurance, worker's compensation, and other allied support services are considered direct and indirect support charges.
8. The Governing Board of Manhattan Beach Unified School District approves the allocation of lottery funds to site and district-wide programs. Any changes to the allocation formula must be Board approved before implementation.
9. Unrestricted General Fund site and program/department year-end balances shall be carried forward. Deficits as well as ending balances shall be brought forward. Balance amounts carried forward in excess of 20% of current year allocations shall be accompanied by justification documentation prepared by site principal or administrative director and submitted to the Superintendent.
10. Restricted Fund and resource balances shall be carried forward in accordance with terms and conditions of the grantor. Deficits as well as ending balances shall be brought forward on resources that extend beyond end of year. Balance amounts carried forward in excess of 20% of current year allocations shall be accompanied by justification documentation prepared by site principal or administrative director and submitted to the Superintendent.
11. Categorical and grant programs shall not be "cash advanced" by District's General Fund. Before spending can be authorized, all categorical and grant programs must provide to the Business Office, a Board approved budget showing accurate revenues, expenditures, contingencies, and indirect service costs.
12. Categorical and grant programs are required to budget a reserve contingency. The contingencies are reserved for salary and operational cost increases and may be redistributed after April 1st of each year, if salary contract negotiations have been completed.
13. Categorical resources of Title I, Title II, EIA, and SIP must maintain a balanced budget and cannot encroach into the general fund.
14. Provision shall be made to preserve the use and value of existing facilities and equipment through capital improvements and preventative maintenance through the use of all fund resources where applicable and in accordance with the law.
15. The District's maintenance and operations budget will meet state requirements of 3% of total expenses to be set aside for Routine Restricted Maintenance.
16. Deferred Maintenance contributions shall be budgeted up to the maximum allowable to take full advantage of the statutory matching funds. The District's Deferred Maintenance match will be included as part of the total general fund contribution to Restricted Maintenance. The District shall apply for ancillary maintenance funds and grants as they become available.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
2008/09
BUDGET GOALS AND GUIDELINES

17. In an effort to enhance community awareness of the budget process, the district-wide budget calendar and budget components shall be shared at all school sites during scheduled School Site Council meetings and public board meetings and workshops.
18. One-time funding allocations or resources shall not be used for on-going expenditures without prior board approval.
19. Detailed budget information shall be made available in order to examine the components of a specific allocation.
20. The budget document shall include the associated salary, employee benefit cost, and full-time equivalent position allocations within each site, department, or program area.
21. The budget document shall include historical financial data from previous year(s) as well as projected current budget data.
22. All funds of the district shall be included in the budget document.
23. The following budgets shall be presented to the Governing Board for information, review, and/or approval (pursuant to Education Code requirements):
 - ▶ Budget Projections and Preliminary Budget (per adopted budget timeline)
 - ▶ Final Budget (before July 1)
 - ▶ Final Budget Update (within 45 days of the state budget adoption)
 - ▶ First Interim Report (within 45 days of October 31)
 - ▶ Second Interim Report (within 45 days of January 31)
24. Budget revisions and transfers shall be presented to the Governing Board on a timely basis.
25. Beginning-on-hand balances (appropriations) from prior year shall be presented to the Governing Board for approval no later than September 15th.
26. Long-term debt obligations and post-retirement employee benefit obligations of all funds of the District shall be reviewed annually. Categorical programs with personnel costs are required to budget and contribute an amount equal to one percent (1 %) of the yearly health and welfare program cost for post-retirement obligations.
27. The budget document shall be developed and presented to the Board of Trustees, staff and community and made available for review at each school and/or program site per statutory requirements.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

08/09 RESTRICTED AND UNRESTRICTED COMBINED BUDGET ASSUMPTIONS

1	Assumptions	6/6/2007	1/10/2008
2		Adopted Budget	Projected Budget
3	Revenue	2007/08	2008/09
4	ADA	6,242.00	6179
5	Revenue Limit Student (ADA)	\$6,082.43	5906.64
6	State COLA %	4.53%	4.94%
7	State COLA \$	\$252 per ada	\$298.95
8	Deficit Factor	0	(6.99%)
9	Net 08/09 revenue reduction	0	(2.4%)
10	Lottery Income per student	\$121	\$121
11	Lottery Income Prop 20 Instr. Mat.	\$19	\$22.50
12	Elem Class size reduction \$ per ADA	\$1,071	\$1,001
13	9th grade Class size reduction \$ per ADA	\$213 per subject	\$198
14	Equalization Aid	0	0
15	Federal Revenue		
16	Title I	reduction of (5.4%)	07/08 Budget
17	Title II (Teacher Quality)	reduction of (1.0%)	(1.74%)
18	Title IV (Drug Free)	no cola	(1.74%)
19	Special Education funds	no cola	(6.5%)
20	State Revenue		
21	Mandated costs	0	0
22	State Grants and entitlements	cola 4.53%	(6.5%)
23	Local Revenue		
24	MB Ed Foundation*	\$2,493,506	\$2,500,000
25	Beach Cities	06/07 budget	07/08 budget
26	SELPA Pass Thru	06/07 budget	07/08 budget
27	H.S. ASB Acct. Reimburs.	06/07 budget	07/08 budget
28	Expenditures		
29	PERS Reduction percentage	0.84%	0.84%
30	PERS Contribution Rate	9.12%	9.12%
31	STRS District rate	8.25%	8.25%
32	Certificated Step and Column	\$316,725	\$316,725
33	Classified Step and Column	\$95,435	\$95,435
34	Staffing		
35	Staffing Reductions	no reductions	staff reductions TBD
36	Certificated Staff Elem. FTE Total	125	125
37	Developmental Kindergarden FTE	2	2
38	Kindergarden FTE	27	25
39	1st Grade	22	24
40	2nd Grade	21	21
41	3rd Grade	22	22
42	SDC	2	2
43	Grades 4 and 5	29	29
44	Certificated Staff Middle School	43	45
45	Certificated Staff High School	87	87
46	Counselors	11	11
47	Librarian	1	1
48	Nurse	2	2
49	Classified Staff	241	241
50	Special Education		
51	Special Education Teachers	32,188	32,188
52	Psychologist	9.9	9.9
53	Speech	6	6
54	Coordinators	3.6	3.6
55	Administration		
56	Site and District Administrators	18	18

D. CONSENT ITEM

6. **TITLE:** 2006-07 Audit Report

BACKGROUND: Each year education code requires every school district to engage an independent audit firm to perform an external of audit on the district financial statements and express opinions on these financial statements. The audit report has grown over the years to include comments from the auditors on the districts internal controls and opinions on various budgetary supplementary information that the district is required to provide by the Governmental Accounting Standards Board, (GASB).

Opinion letters are included in an audit report to ensure that the district is representing their financial statements fairly and that there are no material weaknesses in the district financial position.

The auditor's opinion letters are found on pages 1, 66, 68, and 70 with management notes beginning on page 21. In all cases the auditor's opinion letters state the district fairly represents all financial material.

A strength that is note worthy is the general fund balance has increased over the past two years by \$302,214 and when fund 17 is included in a reserve calculation the district's reserve percentage is 15.59%. Some of these reserve funds are encumbered or assigned so the actual net reserve percentage available for economic uncertainties will be slightly less.

Another strength is the district incurred operating surpluses in each of the past three fiscal years and is anticipating a surplus during the 2007/08 fiscal year. Long term debt has decreased by \$623,811 over the past two fiscal years.

Areas for continued improvement for the district: completing a management discussion and analysis which will provide the reader more detailed material related to history and statistics about the district, improvements in the ASB recording keeping, minor improvements in payroll record keeping, using correct forms for kindergarten retention, and minor improvements in disbursement record keeping.

ACTION RECOMMENDED: Staff and the board audit committee recommend approval of the 2006-07 audit report.

PREPARED BY: Steve Romines

DATE OF BOARD MEETING: January 30, 2008

D. CONSENT ITEM:

7. **TITLE:** External Auditor Request for Proposal (RFP) for Performance of the District's Annual External Audit for the Year 07/08 and Two Additional Years

BACKGROUND: Per pertinent Education Codes all school districts are to change external audit firms every seven years. 07/08 is the year that a change of external audit firms would be appropriate. Staff will use the RFP to solicit proposals from qualified firms, review the proposals and bring a recommendation back to the board prior to May 1, 2008.

ACTION RECOMMENDED: Staff recommends approval of the external auditor request for proposal (RFP) for the district's annual external audit for the year 07/08 and two additional years.

PREPARED BY: Steve Romines

DATE OF BOARD MEETING: January 30, 2008

Audit RFP

**MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
ADMINISTRATIVE SERVICES DIVISION**

REQUEST FOR PROPOSAL

FISCAL YEAR 2007-08 AND TWO SUBSEQUENT FISCAL YEARS

INDEPENDENT ANNUAL AUDIT

**Steven Romines PhD
Assistant Superintendent
Manhattan Beach Unified School District
325 South Peck Road
Manhattan Beach, Ca. 90266
310-318-7345 ext. 5943**

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Administrative Services Division

FISCAL YEAR 2007-08 AND TWO SUBSEQUENT FISCAL YEARS

The Manhattan Beach Unified School District is accepting proposals from qualified and independent auditors licensed for public practice for the purpose of performing the annual fiscal audit of the district.

The Manhattan Beach Unified School District is located in the south bay area of Los Angeles County. The school district has ADA of about 6,200, employs approximately 700 people and has a total operating budget in excess of \$52,000,000.

TIME SCHEDULE

Solicit Proposals	January 15, 2008
Proposals due back	February 28, 2008
Staff Review	March 15, 2008
Audit Firm Interviews/Selection	March 30, 2008
Board Approval	April 9, 2008
COE Notification	April 10, 2008
Interim Report	May, 2008
Year End Work	September, 2008
Final Report	December 15, 2008

Proposals must be received no later than February 28, 2008 by 2:00 p.m.
Late Proposals will not be accepted and will be returned unopened.

A sealed RFP may be submitted prior to the opening date by mailing or delivering to:

Manhattan Beach Unified School District
Attn: Linda Huber, Administrative Assistant
Administrative Services Division
325 South Peck Avenue
Manhattan Beach, CA 90266

All questions regarding this RFP should be directed to either:

Steve Romines, Assistant Superintendent (310) 318-7345 ext. 5943
Robin Page, Senior Accountant (310) 318-7345 ext.5940

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Administrative Services Division

FISCAL YEAR 2007-08 AND TWO SUBSEQUENT FISCAL YEARS

SCOPE OF SERVICE

An annual audit will be conducted in accordance with generally accepted auditing standards; California Education Code; the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the provisions of the OMB Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations, (as applicable) and the "Standards and Procedures for Audits of California K-12 Local Educational Agencies" issued by the Office of the State Controller.

It is anticipated that these auditing services will begin with the fiscal year ending June 30, 2008 with a renewal option for subsequent fiscal years.

The Audit Report shall include at least:

An opinion report on the financial statements and on a schedule of Federal assistance, showing the total expenditures for each Federal assistance program as identified in the Catalog of Federal Domestic Assistance, and all other Federal programs and grants that have not been assigned catalog numbers.

1. A report on the study and evaluation of internal control systems. The report must identify the district's significant internal accounting controls, and those controls designed to provide reasonable assurance that all records are being managed in compliance with laws and regulations. This report must identify the controls which are not evaluated, and the material weaknesses identified as a result of the evaluation.
2. A statement of positive assurance with respect to those items tested for compliance including conformance with laws, rules and regulations pertaining to non-major programs and other items which could have a material effect on financial reports and claims for advances and reimbursements. In addition, the auditor's report must disclose whether the organization has complied with laws and regulations.
3. A statement of negative assurance on those items not tested.
4. A summary of all instances of noncompliance and an identification of total amounts of costs questioned, if any, as a result of noncompliance.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Administrative Services Division

FISCAL YEAR 2007-08 AND TWO SUBSEQUENT FISCAL YEARS

SCOPE OF SERVICE (cont.)

5. Other statements or reports to satisfy state and local government requirements. The three parts (Internal, State, Federal) of the audit report should be bound together. Separate management reports should be submitted with and attached as part of the above report or reports. Reports on fraud, abuse, or illegal acts or indication of such acts including all questioned costs found as the result of these acts should be covered by separate written report to the Federal department or agency. The Auditor agrees to allow access to working papers and all related documents to the DISTRICT and Federal, State, or local government officials or auditors. All such papers are to be retained by the auditor for a period of no less than five (5) years. Copies of the completed audit report are to be delivered to the DISTRICT no later than November 30 of the year the audit is conducted. In the event that this becomes impossible due to circumstances beyond the control of the auditor, a waiver may be requested with an absolute deadline of December 15.

Copies of the previous audits are available for inspection at **325 S. Peck Ave, Manhattan Beach, California 90266.**

A representative from the audit firm may be required to present the results of this audit report to the governing board as well as meet with the audit committee at selected times during the fiscal year.

INSTRUCTIONS

Ink or Typewritten

All information, prices, notations, signatures, and corrections must be in ink or typewritten. Mistakes may be crossed out and corrections typed or printed adjacent to the mistake and initialed in ink by the person signing the proposal.

Signature Verification

To be considered for award, each proposal must be signed by a legally authorized representative.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Administrative Services Division

FISCAL YEAR 2007-08 AND TWO SUBSEQUENT FISCAL YEARS

INSTRUCTIONS (cont.)

Sealed Proposals

Proposals must be submitted in a sealed envelope. This RFP contains a document titled "Proposal", which should be detached and used as a cover sheet to your Proposal (see last page). Telephone, telegraphic, facsimile, electronic, and late proposals will not be considered.

Examination of Contract Documents

It is the responsibility of your firm to thoroughly examine and be familiar with the contract documents. The failure or neglect of the company to receive or examine any of the contract documents shall in no way relieve them from any obligations with respect to the RFP. No claim will be allowed for additional compensation that is based upon a lack of knowledge of any solicitation document.

Proposal Documents

Failure to completely execute and submit the required documents before the bid submittal deadline will render a proposal non-responsive.

Formation of Contract

A signed proposal and written acceptance by the Manhattan Beach Unified School District shall constitute a binding contract.

Informed Proposer

It will be your responsibility to be fully informed as to the conditions, requirements, and specifications before submitting proposals. Failure to do so will be at the audit firm's own risk and relief cannot be secured on the plea of error.

Contacts for Information

Proposers may contact Linda Huber, Administrative Assistant to the Assistant Superintendent (310) 318-7345 ext. 5944 for visits to the District for purposes of familiarization and evaluation of the correct processes.

No Public Opening

Proposals will not be opened publicly, however a list of the names and companies submitting proposals will be available within a reasonable time after the submittal deadline. Proposals will be made public and may be inspected at the time of award.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Administrative Services Division

FISCAL YEAR 2007-08 AND TWO SUBSEQUENT FISCAL YEARS

INSTRUCTIONS (cont.)

Rejection of Proposals

The Manhattan Beach Unified School District Board of Education reserves the right to reject any or all proposals or any part of a proposal.

Proposal Withdrawals

An authorized representative may withdraw the proposal only by written request received before the submittal deadline.

AWARD EVALUATION CRITERIA

- a. Qualifications and availability of key persons to be assigned to the contract resulting from this solicitation
- b. Number of years of experience the auditing firm has performed these services
- c. Demonstrated ability to positively communicate, plan and work with district staff to maximize efficiency and minimum disruption
- d. Reasonableness of cost
- e. Financial stability
- f. Conformance with the terms of this RFP
- g. Outside references

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Administrative Services Division

FISCAL YEAR 2007-08 AND TWO SUBSEQUENT FISCAL YEARS

QUALIFICATIONS

1. Include a summary listing the firm's qualifications, audit approach and communication with district staff.
2. Enclose a resume of audit manager and partner qualifications and audit experience.
3. Indicate how district staff is included in completing the audit process.
4. Provide general information about your firm, including the size of the organization, location of offices, years in business, organization chart, number and position titles of staff.
5. Affirmation that the auditor is properly licensed for public practice in the State of California as a certified public account or public accountant.
6. Affirmation that the auditor meets the independence requirements of the Standards for Audit of Governmental Organizations, programs, activities and functions.
7. Number of employees to be assigned to district.
8. Location(s) or offices from which employees will be assigned.
9. Provide a short summary of firm's audit and tax focus and if firm handles out of State clients.
10. Provide a brief statement of firm's attitude toward responding to district phone calls, assisting with questions and desire to be aware of significant district events that occur outside of the actual audit.
11. List three school districts for which you have performed similar audit services.

Name _____ Phone _____

Name _____ Phone _____

Name _____ Phone _____

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Administrative Services Division

FISCAL YEAR 2007-08 AND TWO SUBSEQUENT FISCAL YEARS

QUALIFICATIONS (cont.)

12. Proposed Audit Plan

Submit a work plan to accomplish the scope of a single audit, including time estimates for each significant segment of the work, the staff level to be assigned, and the proposed times of the year you will be visiting the district. The audit work plan should completely cover what audit work will be accomplished to allow the auditor to render:

- a. An opinion report on the financial statements
- b. A report on the study, evaluation and report on the internal control systems.
- c. Reporting on the organizations control system to assure compliance and whether the organization has complied with laws and regulations that may have an effect on each major federal assistance program.

TERMS AND CONDITIONS

Assignment of Rights or Obligations

These services or obligations may not be assigned to another company for the term of this agreement.

Compliance with Laws

This contract shall be in accordance with the laws in the State of California. All proposals shall comply with the current federal, state, local and other laws relative thereto.

Insurance Requirements

Within fifteen (15) consecutive calendar days of award of contract, the successful firm must furnish the district the certificates of insurance with a minimum \$1,000,000 limit for broad form comprehensive general liability (bodily injury, personal injury, property damage, and products), automobile liability, contractual liability, professional liability, and workers' compensation coverage in accordance with the limits required by the State of California.

Each insurance policy shall be endorsed to state the coverage shall not be suspended, voided, canceled, or reduced either in coverage or in limits, except after thirty (30) days prior written notice by certified mail, return receipt requested.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Administrative Services Division

FISCAL YEAR 2007-08 AND TWO SUBSEQUENT FISCAL YEARS

TERMS AND CONDITIONS (cont.)

Attorney Fees

In the event a suit or action is instituted in connection with any controversy arising out of this contract, the prevailing party shall be entitled to receive, in addition to its costs, such sum as the court may adjudge reasonable as to attorney's fees and costs.

Indemnity

The proposer shall indemnify and hold harmless the District from and against all losses and all claims, demands, payments, suits, actions, recoveries and judgments of every nature and description brought or recovered against it, by reason of any act or omission of the said proposal, his agents or employees, in the execution of the work or in consequence of any negligence or carelessness in guarding the same.

Proposal Acceptance or Rejection

This request for proposal (RFP) does not commit the Manhattan Beach Unified School District to award a contract, to pay any cost incurred in the preparation of a proposal or to procure contract for services or supplies. The district reserved the right to accept or reject any or all proposals received in response to this request, to negotiate terms that will be in the best interest of the district, or cancel in whole or in part this RFP.

All submitted proposals and information included therein shall become public records upon delivery to the Manhattan Beach Unified School District. All audit firms submitting a proposal should note that the execution of any contract would be contingent upon governing Board Approval.

Identification and License Verification

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialist, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in the State of California. The firm also should indicate how the quality of staff of the term of this agreement would be assured.

Staffing Changes

Auditors mentioned in response to this request for proposal can only be changed with the express prior written permission of the Manhattan Beach Unified School District, which retains the right to approve or reject replacements. Audit personnel that are replaced must have substantially the same or better qualifications or experience.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Administrative Services Division

FISCAL YEAR 2007-08 AND TWO SUBSEQUENT FISCAL YEARS

TERMS AND CONDITIONS (cont.)

Compliance with Laws

All proposals shall comply with current federal, state, and other laws relative thereto.

Labor Discrimination

Attention is directed to Section 1735 of the Labor Code, of the State of California, which reads as follows: "No discrimination shall be made in the employment of persons upon public works because of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status or sex of such persons except as provided in Section 12940 of the Government Code."

Termination

The district reserves the right to cancel these services with a thirty (30) day written notice.

Payment method

Progress payments will be made on the basis of hours of work completed during the course of engagement in accordance with the firm's dollar cost bid proposal. Interim billings shall cover a period of not less than a calendar month. Ten percent (10%) of the audit fee will be withheld pending approval of the audit report by the State Controller.

Proposal Cost

The dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses. The Manhattan Beach Unified School District will not be responsible for expenses incurred in preparing and submitting the technical proposal or the dollar cost bid. Such costs should not be included in the proposal. Total cost of audit should be summarized on the attached sheet.

Rates for additional professional services

If it should become necessary for the Manhattan Beach Unified School District to request the auditor to render any additional services requested in this request for proposal or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the district and the firm. Any such additional work agreed to shall be performed at the rates set forth in the attached schedule of fees and expenses.

Include a rate sheet for hourly charges in excess of the annual audit services that would be required. These rates should be guaranteed for the fiscal year.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
Administrative Services Division

FISCAL YEAR 2007-08 AND TWO SUBSEQUENT FISCAL YEARS

PROPOSAL

TO THE HONORABLE BOARD OF TRUSTEES OF THE MANHATTAN BEACH UNIFIED SCHOOL DISTRICT, LOS ANGELES COUNTY, CALIFORNIA

In compliance with the request for proposal described herein, the undersigned firm hereby proposes and agrees to provide required services for the fee shown here.

Dated _____, 2008

Firm: _____

By: _____

Title: _____

Address: _____

Telephone: _____

Fees for audit periods:

7/1/07-6/30/08 \$ _____

7/1/08-6/30/09 \$ _____

7/1/10-6/30/11 \$ _____

65.

G. BOARD BUSINESS

1. **TITLE:** Consideration and Action on Censure of Board Member, Resolution 2008-2

BACKGROUND: Attached is Resolution 2008-2, of the Manhattan Beach Unified School District, for consideration and action on censure of a Board member.

ACTION RECOMMENDED: Action is requested.

DATE OF BOARD MEETING: January 30, 2008

SUBMITTED BY: Amy Howorth, President, Board of Trustees

AGENDA NOTE AGENDA NOTE AGENDA NOTE

66.

RESOLUTION OF THE GOVERNING BOARD OF THE MANHATTAN
BEACH UNIFIED SCHOOL DISTRICT

2008-2

Censure of Governing Board Member Bill Eisen

WHEREAS, Bill Eisen has been a member of the Board of Trustees of Manhattan Beach Unified School District since December 2005, and

WHEREAS, Board Policy 1100 provides that the Governing Board appreciates the importance of community involvement and therefore shall strive to keep the community informed of developments within the school system in timely and understandable ways; and

WHEREAS, numerous actions and statements by Board member Bill Eisen have prompted the Board to bring this resolution to the public in order for the public to understand the full breadth of the Board's concerns with Bill Eisen's continued position on this Board; and

WHEREAS, Board Bylaw 9005 provides, in part, that Board members shall assume collective responsibility for building unity and creating a positive organizational culture, shall operate openly, with trust and integrity, shall govern in a dignified and professional manner, treating everyone with civility and respect and govern within Board-adopted policies and procedures; and

WHEREAS, Board Bylaw 9005 relating to Governance Standards provides as follows:

The Governing Board believes that its primary responsibility is to act in the best interests of every student in the District. The Board also has major commitments to parents/guardians, all members of the community, employees, the state of California, laws pertaining to public education, and established policies of the District. To maximize Board effectiveness and public confidence in District governance, Board members are expected to govern responsibly and hold themselves to the highest standards of ethical conduct.

The Board expects its members to work with each other and the Superintendent to ensure that a high-quality education is provided to each student. Each individual Board member shall:

1. Keep learning and achievement for all students as the primary focus
2. Value, support and advocate for public education
3. Recognize and respect differences of perspective and style on the Board and among staff, students, parents and the community

67.

4. Act with dignity, and understand the implications of demeanor and behavior
5. Keep confidential matters confidential
6. Participate in professional development and commit the time and energy necessary to be an informed and effective leader
7. Understand the distinctions between Board and staff roles, and refrain from performing management functions that are the responsibility of the Superintendent and staff
8. Understand that authority rests with the Board as a whole and not with individuals; and

WHEREAS, Bill Eisen has repeatedly violated Board Bylaw 9005 and has made no attempt to refrain from violating this Bylaw when asked by the Board President to do so, and has discredited the Board by:

- a. Writing numerous letters to the editor of the local newspapers falsely alleging that:
 - secret Board meetings are being held in violation of the Brown Act which, if true, could be considered criminal violations of the Brown Act;
 - the Board has lied to the public on numerous occasions;
 - he did not vote to hire the real property attorney retained by the Board when meeting minutes document the Board's unanimous consent;
 - Board members are illegally using direct communication outside noticed meetings to develop collective agreement as to actions to be taken by the Board; and
 - the Board is proposing to sell all the surplus real estate owned by the District.
- b. Violating confidentiality laws by discussing closed session information with an adverse party in litigation, as confirmed by court documents;
- c. Failing to act with dignity, and understand implications of demeanor and behavior, on numerous occasions including December 5, 2007, when he referred to then President Bill Cooper as a "lame duck President," and on January 16, 2008, when he stated that District staff and other Board members were lying to the public and referred to Board member Nancy Hersman as a "damn liar,"
- d. Attempting to deny a member of the public the right to read a letter signed by over 160 members of the public asking for his resignation due to his personal bankruptcy issues;

- e. Refusing to acknowledge that he was again asked to resign by members of the public and was told he was an obstructionist on the Board when the public was informed that he was continuing to write emails to Board members in an attempt to gather their consensus on Board matters; and
- f. Failing to prepare for Board meetings, and continuously being late for Board meetings;
- g. Attending the November 29, 2007, Pacific PTA meeting and announcing that he was forming a political action committee to obtain a ballot measure to restrict all District-owned property from being rezoned, and attempting to get PTA support;
- h. At the January 16, 2008, Board meeting, a member of the Pacific PTA requested that Bill Eisen not represent Pacific School because he has his own agenda and does not represent the students nor the parents of the school;
- i. Demanding information from school employees rather than requesting information through the Superintendent;
- j. Disrupting a kindergarten classroom at Pennekamp and engaging a teacher in a discussion during her teaching period without first checking into the office nor requesting a meeting;
- k. Claiming that the District staff is involved in conspiracies to keep information from the public by manipulating the broadcasting of the Board meetings; and
- l. Demanding that the cabinet spend inordinate amounts of time with him in meetings whereby the staff is unable to complete work of the District and thereby costing the District substantial sums in lost work time; and

WHEREAS, Board Bylaw 9005 provides that Board members are expected to hold themselves to the highest standard of ethics and conduct, and Bill Eisen's personal bankruptcy litigation, which has continued since 1986, has called into question his ethics and caused members of the public to distrust Mr. Eisen due to the Court's reprimand of Mr. Eisen for numerous questionable legal maneuvers, specifically by an Order dated July 11, 2006, in which the judge stated relative to Mr. Eisen that, "[t]he magnitude of the fraud perpetrated upon this Court and other courts, the Trustee, creditors and their counsel, is breathtaking. In twelve years on the bench, this judicial officer has never seen or witnessed a circumstance such as this where multiple pleadings were filed improperly. At this point, the integrity of the Court process is at stake, and has been severely jeopardized and undermined." On January 17, 2008, the judge ordered that Mr. Eisen must vacate his Manhattan Beach property by February 14, 2008.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees hereby censures Board member Bill Eisen for conduct inimical to the interests of the Manhattan Beach Unified School District, its community, staff and students; and

BE IT FURTHER RESOLVED THAT, as a result of the conduct leading to the censure, the Board of Trustees calls upon Board member Eisen to immediately resign from his position as a member of the Board of Trustees; and

BE IT FURTHER RESOLVED THAT, in the interim, Board member Eisen is removed from all Board committees, appointments, school assignments, and external assignments, effective immediately; and

BE IT FURTHER RESOLVED THAT, in the interim, prior to visiting any school campus, Board member Eisen must first check in with the principal of that campus and receive permission to be on campus; and

BE IT FURTHER RESOLVED THAT, in the interim, due to the inordinate amount of time lost by District staff due to Mr. Eisen's unannounced visits to the District office, Mr. Eisen must call and schedule any appointments, which appointments will be limited to a maximum of 30 minutes.

Adopted this 30th day of January 2008, by:

Vote of the Board of Trustees: _____ Yeas _____ Nos

Signature of Board Member

Signature of Board Member

Signature of Board Member

Signature of Board Member