

## 2. BUSINESS ADMINISTRATION

### 2.1 Adoption of the 2017-20 (2018-19) Local Control Accountability Plan (LCAP)

**BACKGROUND INFORMATION:** In 2013-14, the enactment of the Local Control Funding Formula (LCFF) dramatically reformed California's educational funding system. The LCFF instituted a change in LEA accountability in the form of a three-year Local Control Accountability Plan (LCAP), with annual updates, that focuses on services and outcomes for all students, with emphasis on English learners, low income, and foster youth.

**CURRENT CONSIDERATIONS:** The Sierra Sands Unified School District proposed LCAP is posted on the district website, [www.ssusd.org](http://www.ssusd.org). Included in the LCAP is a timeline that outlines the process the district used to gather stakeholder input and draft the LCAP. Revisions were made to the LCAP as stakeholder input was received and considered. As a result of the evaluation of the implementation of this year's LCAP goals, actions, services and expenditures, comprehensive needs assessment, and stakeholder input, the following revisions have been made to actions, services, and expenditures in order to meet stated goals:

- Align 2018-20 LCAP Goals to the 2017-20 Board Goals as follows:
  - Goal 1: Provide a rigorous academic program which promises college and career readiness.
  - Goal 2: Maximize student engagement and achievement.
  - Goal 3: Grow family and community partnerships that benefit students.
  - Goal 4: Guarantee safe and well-maintained facilities.
  - Goal 5: Develop, value, and retain a high-quality diverse educational team.
- Provide instructional coaching and support for non-credentialed teachers through Extended Day (10 Teachers Extended Day).
- Provide two full time instructional coaches for non-credentialed special education teachers.
- Provide three certificated professional development days to increase/improve services to unduplicated student groups.

The board held a public hearing to solicit the recommendations and comments of members of the public regarding the specific actions and expenditures proposed to be included in the LCAP. The public hearing was held at the same meeting as the annual budget public hearing. Sierra Sands conducted the public hearing on June 14, 2018 at a regularly scheduled board meeting. The board is required to hold a second public meeting after, but not on the same day, as the public hearing to adopt the LCAP. This meeting must be the same meeting as the adoption of the district budget. The district must file with the Kern County Office of Education the adopted LCAP and budget within five days after adoption, but no later than June 30, 2018.

FINANCIAL IMPLICATIONS: In order to meet the required minimum proportionality percentage in the LCAP, the district plans to spend supplemental and concentration funds as outlined in the 2017-20 Goals 1-5.

SUPERINTENDENT'S RECOMMENDATION: The superintendent recommends that the 2017-20 (2018-19) LCAP be adopted as presented.

## 2. BUSINESS ADMINISTRATION

### 2.2 Adoption of the Sierra Sands Unified School District Proposed Budget for Fiscal Year 2018-19

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BACKGROUND INFORMATION: Education Code Section 42127 requires that on or before July 1 of each year, the governing board will adopt a budget and file that budget with the county superintendent of schools. In accordance with the district's practice, guidance from School Services of California, California Department of Education, the Kern County Office of Education, and the Fiscal Crisis and Management Assistance Team was used in formulating the proposed Sierra Sands Unified School District 2018-19 budget.

CURRENT CONSIDERATIONS: The Governor's 2018-19 May Revision upholds his intention of fully funding the Local Control Funding Formula (LCFF). There is little change between the Proposed Budget in January 2018 and the May Revision released on May 18, 2018. The original goal was to fully fund the LCFF by 2020-21. The Governor's May Revision implements full funding two years earlier than planned. This brings Public School Funding back to the funding levels prior to the recession of 2008. Once the LCFF is fully funded, Public School Districts enter into the era of Cost of Living Adjustments (COLA) only.

#### Budget Highlights

- LCFF funding is fully funded. Future funding will be in a COLA only environment.
- In 2018-19, Sierra Sands will be receiving approximately \$500K in Concentration Funding as a direct result of the concerted efforts of district staff members working to ensure every household data sheet was returned. This effort resulted in an 11.26% increase in the district's Single Year Unduplicated Pupil Percentage bringing it to 61.46% from 50.20%.
- The budget is now driven by the LCAP. Supplemental grant funding is projected to increase from \$4,268,421 in 2017-18 to \$ 4,618,836 in 2018-19 due to the full implementation of the LCFF. Future budget considerations must include increased demands on resources to close the achievement gap for targeted students.
- The May Revision included one-time discretionary funds, which are currently estimated at \$344 per ADA, however, this may change once the Governor's budget is finalized.
- With the full implementation of the LCFF, all elementary schools are anticipated to be at the 24:1 ratio.
- The district continues to experience a modest growth in enrollment.

- Minimum wage enactment over the next five years, starting January 1, 2017, will considerably affect the budget, as no additional funding is provided.
- There is a statutory COLA of 2.71%, for Special Ed, Child Nutrition, Foster Youth, and Preschool. Special Ed will continue to require a general fund contribution. The Food Service Program is also expected to require a contribution in 2018-19.
- The district had to borrow \$4M from Fund 17 this school year to maintain cash flow.

The district continues to maintain the board required reserve level of 5% as the 3% state minimum is an inadequate level of funds for the district to be prepared for uncertain economic factors. While the district maintains its positive certification due to its availability of reserves, slowing down of funding increases in future years will continue to push expenditures past available resources with the expectation of further deficit spending in the near future. Despite greater demands on its resources the district plans to remain solvent for 2018-19 and the two subsequent out-years.

It must be noted that the State budget has not yet been finalized at the time of preparation of this document. The legislative process will carry out before the State budget is adopted and will most likely include changes to the May Revision. The budget is posted on the district website at [www.ssusd.org](http://www.ssusd.org).

**FINANCIAL IMPLICATIONS:** The district maintains its positive certification and continues to remain fiscally solvent in 2018-19 and the two out-years.

**SUPERINTENDENT'S RECOMMENDATION:** It is recommended that the board adopt the proposed budget for the 2018-19 school year as presented.

3. PERSONNEL ADMINISTRATION

3.1 Notification of Adjustment of Salary Compensation for Confidential and Management Employees for 2018-19

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**BACKGROUND INFORMATION:** The district reached settlement agreements with all associations for the 2018-19 and 2019-20 school years. More specifically, DATA and DAGA agreed to adjust the district contribution for Health and Welfare benefits, in exchange for an additional 2.5% increase to their salary schedules.

**CURRENT CONSIDERATIONS:** The district has an interest in maintaining a health and welfare contribution plan for Confidential and Management that is similar to the agreements with DATA and DAGA. The district reached agreements with DATA and DAGA in which an exchange of value from Health and Welfare benefits to salary increased the salary schedule by an additional 2.5%.

At the May 17, 2018 board meeting, approval for salary adjustments to Confidential and Management were granted. Subsequent to this approval, the district reached agreements with DATA and DAGA, which included the above-mentioned exchange value for Health and Welfare benefits. After consulting with Confidential and Management employees, it has been determined that it would be appropriate to implement the same adjustment.

**FINANCIAL IMPLICATIONS:** The district will apply an additional 2.5% across-the-board raise on the Confidential and Management salary schedules in exchange for the adjustment made to the district contribution value for Health and Welfare benefits.

**SUPERINTENDENT'S RECOMMENDATION:** Approve the adjustment of salary compensation for Confidential and Management employees commencing in 2018-19 as presented.

### 3. PERSONNEL ADMINISTRATION

#### 3.2 Approval of Memorandum of Understanding with CSEA and its Chapter 188 for a 0.5% Off Schedule Bonus for 2017-18

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**BACKGROUND INFORMATION:** Chapter 188 of the California School Employees Association (CSEA) and district negotiation teams reached a tentative agreement for a successor collective bargaining agreement. The tentative agreement was approved by the board at their May 17, 2018 regular meeting. AB 1200 documentation was also presented to the board at this same meeting indicating Chapter 188 of the California School Employees Association (CSEA) will receive a 7.5% across-the-board raise on the classified salary schedule, effective July 1, 2018 as well as a 0.5% off schedule bonus. The bonus will be paid to all classified employees for 2017-18. Associated with the agreement was a cap on the district contribution for health/welfare benefits of \$20,000 per eligible active employee.

**CURRENT CONSIDERATIONS:** The 0.5% off schedule bonus was not specified in the successor collective bargaining agreement for Chapter 188 of the California School Employees (CSEA) so the Memorandum of Understanding is necessary in order to make payment possible for all eligible classified employees.

**FINANCIAL IMPLICATIONS:** The district submitted AB 1200 documentation at the May 17, 2018 regular board meeting for Chapter 188 of the California School Employees Association (CSEA) successor agreement which included the 0.5% off schedule bonus as required.

**SUPERINTENDENT'S RECOMMENDATION:** Approve the Memorandum of Understanding with CSEA and its Chapter 188 for a 0.5% off schedule bonus for 2017-18.

#### 4. CONSTRUCTION ADMINISTRATION

##### 4.1 Approve Entering Into an Agreement with Cutting Edge Concrete Services Inc. to Provide Demolition Services of Certain Old Murray Structures as Part of the New Murray Middle School Project

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BACKGROUND INFORMATION: In December of 2012, the district received a grant from the Department of Defense (DoD) - Office of Economic Adjustment (OEA) for approximately thirty-nine million dollars for a new Murray Middle School project. In response to that grant, the district initiated design and construction phase services to complete execution of the projects. As a part of the project, demolition of the original Murray Middle School was required. However, although it was part of the project, the scope of demolition work was not included in the original bidding and award. Such scope of work is required for the completion and approval of the project.

CURRENT CONSIDERATIONS: During the course of the various elements of the project, NAWS reconsidered the scope of the demolition of structures on the original Murray Middle School site. The NAWS significantly reduced the extent of demolition, choosing, instead, to retain most of the original structures on site. A scope of work has been established and ratified by NAWS. While the scope has been reduced, this work remains as required to appropriately complete the project. As a result, the design professionals developed construction documents and received NAWS approval for new, reduced scope of the demolition. The district commenced a formal bidding procedure, which was advertised on May 5, 2018 and May 12, 2018. The project was bid on June 19, 2018 according to the formal procedures established by the district, the OEA, and the State of California. District staff conducted a competitive process in accordance with the district's established protocol. At a mandatory job walk, which was held on June 6, 2018, three companies were present. On June 19, 2018 a single bid proposal was received from Cutting Edge Concrete Services, Inc. The proposal was reviewed by the committee and found to be responsive and in keeping with industry standards.

It was the consensus of the committee and the district, with counsel advice, that Cutting Edge Concrete Services Inc. be contracted for the bid amount of \$487,500.00 as the responsive proposal to execute the trade work for the project. An allowance of \$50,000.00 is added to the contract price for the district's use during construction with the unused balance of the allowance returned to the district.

Also, it is understood that a grant amendment is now in consideration by the Office of Economic Adjustment (OEA) to address the reduction in scope of demolition. It is further understood that this contract cannot be awarded until the amendment is approved by OEA. It is therefore recommended that the board approve the amount

and content of the bid proposal and approve an Intent to Award only at this time, with final award to occur only upon receipt of approval of the amendment from OEA.

FINANCIAL IMPLICATIONS: The bid proposal received is to be made a part of the construction documents for the amount identified in the attached. Funding for this expense shall be 100% from district matching funds.

SUPERINTENDENT'S RECOMMENDATION: It is recommended that the board approve the amount and content of the bid proposal and allow the district to issue a Notice of Intent to Award for the identified demolition of certain old Murray structures project bid package as outlined above.



#### 4. CONSTRUCTION ADMINISTRATION

##### 4.2 Approve Entering Into an Agreement with Hi Desert Construction to Provide Construction Services for the Modernization of the Wood Shop as Part of the Burroughs High School Modernization Project

BACKGROUND INFORMATION: In December of 2012, the district received a grant from the Department of Defense (DoD) - Office of Economic Adjustment (OEA) for approximately thirty-one million dollars for a Burroughs High School modernization project. In response to that grant, the district initiated design and construction phase services to complete execution of the projects. As a part of the projects, certain scopes of work were unforeseen and not included in the original bidding and award. Such scopes of work are required for the completion and approval of the project.

CURRENT CONSIDERATIONS: During the construction of the various elements of the existing wood shop and the new auto shop, as relocated, it was discovered that previously assumed fire-rated construction was not, indeed, fire-rated. This work is required to appropriately complete the project. As a result, the design professionals developed construction documents and received DSA approval for new, code conforming separation walls between the wood shop and the auto shop. The district commenced a formal bidding procedure and the project was bid on May 31, 2018 according to the formal procedures established by the district, the OEA, and the State of California. District staff conducted a competitive process in accordance with the district's established protocol. However, a job walk was held on May 16, 2018 and only one company was present. On May 31, 2018 a bid proposal was received from Hi Desert Construction. The bid received far exceeded the estimated contract amount. As a result, the district rejected the bid and entered into negotiations with the apparent responsive bidder.

As a result of negotiations, Hi Desert was able to delete selected tasks and to revise its bid proposal, accordingly. The revised scope of work includes the modernization of the wood shop, including but not limited to, the demolition of existing doors, frames, vents and interior windows, existing wall finish back to exposed studs; the installation of type-X drywall, tape and fire caulking walls, including the construction of a 1-hr. fire-rated shaft-wall and support blocking for existing tool racks; in-fill framing at existing vents & windows where removed; and the furnish and installation of fire-rated plywood finish, doors, frames and hardware in accordance with the design drawings. Also included in this revised scope of work is the installation of type-X drywall, tape and fire caulking for fire-rating the existing common wall to the auto shop locker rooms in the G-54 IDF room (1/S). The modernization work in this contract excludes all electrical and overtime work. A summary identifying the outcome of that negotiation is attached.

It was the consensus of the committee and the district, with counsel advice, that Hi Desert Construction be contracted for a negotiated amount of \$144,805.00 as the responsive proposal to execute the revised trade work for the project.

FINANCIAL IMPLICATIONS: The negotiated bid proposal received and to be made a part of the construction documents is for the amount identified in the attached. Funding for this expense shall be 100% from district matching funds.

SUPERINTENDENT'S RECOMMENDATION: It is recommended that the board approve the negotiated contract and allow the district to enter into an agreement for the modernization of the wood shop for the identified construction services as outlined herein.

#### 4. CONSTRUCTION ADMINISTRATION

- 4.3 Approval to Enter Into Change Order #41 with USS Cal Builders, Inc. to Complete Work for Electrical, Fire Alarm & Low Voltage Modernization in the Wood Shop, G-4, IDF, and G-54 as a Part of the Burroughs High School Modernization Project \_\_\_\_\_

BACKGROUND INFORMATION: In December of 2012, the district received a grant from the Department of Defense (DoD) - Office of Economic Adjustment (OEA) for approximately thirty-one million dollars for the modernization of the Sherman E. Burroughs High School (BHS). In response to that grant, the district initiated design and construction phase services to complete execution of the project. As part of the project, certain scopes of work were unforeseen and not included in the original bidding and award. Such scopes of work are required for the completion and approval of the project.

CURRENT CONSIDERATIONS: During the construction of the various elements of the existing wood shop and the new auto shop, as relocated, it was discovered that previously assumed fire-rated construction was not, indeed, fire-rated. This work is required to appropriately complete the project. As a result, the design professionals developed construction documents. At present, the design drawings are in back-check and requiring a water flow test at a near fire hydrant prior to DSA approval for new code conforming separation walls between the wood shop and the auto shop. The district commenced a formal bidding procedure and the project was bid on May 31, 2018 according to the formal procedures established by the district, the OEA, and the State of California. District staff conducted a competitive process in accordance with the district's established protocol. However, a job walk was held on May 16, 2018 and only one company was present. On May 31, 2018 a bid proposal was received from Hi Desert Construction. The bid received far exceeded the estimated contract amount. As a result, the district rejected the bid and entered into negotiations with the apparent responsive bidder.

As a result of negotiations, Hi Desert Construction was able to delete selected tasks and revise its bid proposal, accordingly. During negotiations the district requested USS Cal to submit a change order request for the electrical, fire alarm & low voltage work in the wood shop, G-4, IDF, G-54, accordingly. The scope of the work is to remove and replace existing electrical on the walls to be demolished and constructed as fire-rated walls. Also, the work includes replacing existing light fixtures in the paint booth with new explosion proof light fixtures and disconnect/re-connect the existing exhaust fan with a new paint booth installed by others. A summary of the negotiations including the USS Cal estimate for the electrical modernization work is attached.

FINANCIAL IMPLICATIONS: The additional contract amounts for the existing prime trade contract for electrical and special systems is as follows:

USS Cal Builders Inc. - base contract:	\$5,788,000.00
Net change from previous change orders	\$ 790,203.92
<u>Subtotal this change order</u>	<u>\$ 52,200.00</u>
Total new contract amount	\$6,630,403.92

This change order amount does not exceed 10% of the base prime trade contract.

Funding for this expense shall be 100% from district matching funds.

SUPERINTENDENT'S RECOMMENDATION: It is the superintendent's recommendation that the board approve the district to enter into change order #41 for the electrical and special systems contract for the Burroughs High School modernization project.