# Agenda

**1.0 Closed Session**

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<td>Ratification (After School Site Program Facilitator, Substitutes, Walk On Coaches)</td>
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1. *Individual speakers shall be allowed three minutes to address the Board on each agenda or non-agenda item. The Board shall limit the total time for public input on each item to 20 minutes. With Board consent, the president may increase or decrease the time allowed for public presentation, depending on the topic and the number of persons wishing to be heard. The president may take a poll of speakers for or against a particular issue and may ask that additional persons speak only if they have something new to add.*
2.5 Recognitions/Presentations

2.6 Stockton Unified Early College Academy (SECA) Band Music Performance – Ms. Cynthia Wildman, Coordinator, VAPA/Curriculum

2.7 Introduction of Student Representative

School: Stockton Early College Academy
Principal: Joshua Thom

A 2.7 Approval of Order of Agenda
Any changes in the order of the agenda must be presented at this time, including changes concerning the consent calendar.

A 2.8 Approval of Consent Items *C/A

A 2.9 Approval of Public Minutes: Special Meeting March 10, 2015, Regular Meeting March 10, 2015

3.0 Communications

3.1 Oral Suggestions and Comments From Members of the Community (At the beginning of the meeting persons wishing to speak will complete a card available at the door and submit to the Board secretary)

4.0 Reports/Discussion

4.1 Report from Superintendent and Chief Business Official – Budget Update Presentation

5.0 Public Hearing

D 5.1 Public Hearing of the Establishment of the Proposed Focus Charter School

D 5.2 Public Hearing Waiver of 2.50% assessed valuation bonding capacity limit for the purpose of issuing general obligation bonds under the authorization to provide funds to maintain and upgrade educational technology and upgrade classroom security systems in District facilities in advance of the year in which the statutory increase in assessed valuation would be otherwise achieved. (Resolution No. 14-44) (Agenda Item 9.1)

D 5.3 Public Hearing Waiver of 2.50% assessed valuation bonding capacity limit for the purpose of issuing one or more series general obligation bonds under the authorization to provide new construction funds for necessary District school facilities in advance of the year in which the statutory increase in assessed valuation would otherwise be achieved. (Resolution No. 1445) (Agenda Item 9.2)
C/A 8.11 Approval of a Field Trip by Sixty Seven (67) 3rd Grade Students from Pulliam Elementary School to the Mokelumne River Fish Hatchery in Clements, California, on May 21, 2015

C/A 8.12 Approval of a Field Trip by Sixty Seven (67) 3rd Grade Students from Pulliam Elementary School to Joanne Fabrics and Oak Grove Regional Park in Stockton, California, on June 2, 2015

C/A 8.13 Approval of a Field Trip by Thirty-Four (34) Eighth Grade Students from Taft Montessori Learning Academy to Visit Great America in Santa Clara, California, on May 15, 2015

C/A 8.14 Approval of a Field Trip by One Hundred (100) Fourth and Fifth Grade Students from Taylor Leadership Academy to Visit California Academy of Sciences in San Francisco, California, on May 27, 2015

9.0 Business and Finance

A 9.1 Adoption of Resolution No. 14-44 of the Governing Board of the Stockton Unified School District Approving Submission of a Waiver Request of the Bonding Capacity Limitation to the State Board of Education [ED TECH Bonds]

A 9.2 Adoption of Resolution No. 14-45 of the Governing Board of the Stockton Unified School District Approving Submission of a Waiver Request of the Bonding Capacity Limitation to the State Board of Education [GO Bonds]

A 9.3 Approval of York as the Third Party Administrator for the District’s Worker’s Compensation Claims Program

A 9.4 Public Disclosure of the Agreement between Stockton Unified School District (SUSD) and Stockton Unified Supervisory Unit (SUSU)

C/A 9.5 Authorize the Purchase of Furniture and Equipment by Utilizing Selected Public Contracts

C/A 9.6 Amend Board Policy 3350 Governing Travel and Meal Expenses


10.0 Student Discipline

C/A 10.1 In district Expulsion Cases:
R-30

10.2 In district Expulsion Cases Held in Suspension:

10.3 Out of district Expulsion Cases:

10.4 Out of district Expulsion Cases Held in Suspension:

11.0 Public Employee/Open Session (§54957)

12.0 Recess to Closed Session (if necessary)
NOTICE OF PUBLIC HEARING

Date: March 24, 2015
Place: 701 North Madison Street, Stockton, CA 95202
Time: 7:00 P.M.

PURPOSE: The Stockton Unified School District will conduct a public hearing in connection with the proposed issuance of voter-approved general obligation bonds by the District in excess of 2.50% of the taxable property in the District as authorized by the voters in the District on November 4, 2014. The District proposes to apply to the State Department of Education pursuant to Education Code section 33050 for a waiver of the 2.50% assessed valuation bonding capacity limit for the purpose of issuing one or more series of general obligation bonds under the authorization to provide funds to maintain and upgrade educational technology and upgrade classroom security systems in District facilities in advance of the year in which the statutory increase in assessed valuation would otherwise be achieved.

At the hearing, the testimony of all interested persons or taxpayers for or against the waiver will be heard.

Dated: March 10, 2015

STOCKTON UNIFIED SCHOOL DISTRICT

By: /s/ Julie Penn

Ms. Julie Penn, Superintendent
NOTICE OF PUBLIC HEARING

Date: March 24, 2015
Place: 701 North Madison Street, Stockton, CA 95202
Time: 7:00 P.M.

PURPOSE: The Stockton Unified School District will conduct a public hearing in connection with the proposed issuance of voter-approved general obligation bonds by the District in excess of 2.50% of the taxable property in the District as authorized by the voters in the District on November 6, 2012. The District proposes to apply to the State Department of Education pursuant to Education Code section 33050 for a waiver of the 2.50% assessed valuation bonding capacity limit for the purpose of issuing one or more series of general obligation bonds under the authorization to provide new construction funds for necessary District school facilities in advance of the year in which the statutory increase in assessed valuation would otherwise be achieved.

At the hearing, the testimony of all interested persons or taxpayers for or against the waiver will be heard.

Dated: March 10, 2015

STOCKTON UNIFIED SCHOOL DISTRICT

By: /s/ Julie Penn

Ms. Julie Penn, Superintendent
SUBJECT: Adoption of Resolution No. 14-44 of the Governing Board of the Stockton Unified School District Approving Submission of a Waiver Request of the Bonding Capacity Limitation to the State Board of Education [ED TECH Bonds]

INTRODUCTION:

The voters within the Stockton Unified School District approved a bond measure in the past 2014 Election under Measure E ("Measure 2014 E"). In the November 2014 Election, voters authorized the issuance of $114,000,000 general obligation bonds for educational technology and classroom security needs.

The District is unable to issue general obligation bonds under the 2014 Measure E Authorization due to the bonding capacity limitation in Section 15270(a) of the California Education Code which provides, in part, that the aggregate amount of general obligation bonds cannot exceed 2.5% of the taxable property of the District as shown on the last equalized assessment of San Joaquin County. Because the assessed valuation within the District declined by 10.2%, 7.8%, 4.0%, and 1.5% from fiscal year 2008-09 to 2009-10 through 2012-13, respectively, the District’s bonding capacity has declined, thereby increasing the need for the requested waiver.

The District is seeking a waiver to allow for the issuance of $8.6 million in GO bonds, for the continuation of the bond passed by voters in 2014 for educational technology and classroom security.

ANALYSIS:

1. The District desires to issue general obligation bonds under its Measure E Authorization in one series, amortized over three years, as promised to voters, to provide financing to maintain and upgrade educational technology and upgrade classroom security systems in District facilities.

2. The District cannot issue general obligation bonds under the 2014 Measure E Authorization without exceeding the statutory bonding capacity limitation in Section 15270(a) of the California Education Code.

3. It is estimated that issuing approximately $8,600,000 of general obligation bonds in one series under the 2014 Measure E Authorization will raise the District’s total indebtedness to approximately 3.41% of its current assessed valuation. While in concurrence with acquiring this waiver on the 2014 Measure E Authorization, the District is planning on receiving a separate waiver on its 2012 Measure E Authorization ("2012 Measure E"), where District voters reauthorized

Action Item No. 9.1
a $156 million bond to fund capital facility needs for the district. The district plans on issuing $30,000,000 in General Obligation bonds from its 2012 Measure E Authorization. Together, the waivers on the 2012 Measure E Authorization, and 2014 Measure E Authorization will raise the district's total indebtedness to 3.68% of its assessed valuation. It is further estimated that by 2021-22, the indebtedness would be reduced to 2.45%.

4. Approval of the waiver by the State Board of Education will (a) allow the District to maintain and upgrade educational technology and upgrade classroom security systems in District facilities in the near term, so that the District will not have to wait until fiscal year 2020 when the bond indebtedness of the District is expected to fall below the limit set forth in the California Education Code; (b) allow the District to capitalize on lower construction costs; (c) allow the District to take advantage of near historic low interest rates; and (d) satisfy the will of District voters who, at the 2014 election, approved the Measure E Authorization so that needed District projects could be completed now, instead of years from now.

Funding Source: ED TECH Bonds

RECOMMENDATION

It is recommended that the Governing Board adopt Resolution No. 14-44 approving submission of a waiver request of the bonding capacity limitation [ED TECH Bonds] to the State Board of Equalization.

Prepared by: Ms. Michele A. Huntoon, CPA
Chief Business Official

Approved by: Ms. Julie Penn, Interim Superintendent
RESOLUTION NO. 14-44

RESOLUTION OF THE GOVERNING BOARD OF THE
STOCKTON UNIFIED SCHOOL DISTRICT APPROVING SUBMISSION
OF A WAIVER REQUEST OF THE BONDING CAPACITY LIMITATION TO THE
STATE BOARD OF EDUCATION [ED TECH BONDS]

WHEREAS, on November 4, 2014, the Stockton Unified School District (the "District") obtained approval from more than 55% of District voters for the issuance of general obligation bonds in the aggregate principal amount of $114,000,000 (the "Measure E Authorization");

WHEREAS, Section 15270(a) of the California Education Code limits the amount of bonded indebtedness of the District to 2.50% of the taxable property of the District as shown by the last equalized assessment of San Joaquin County;

WHEREAS, as of the date hereof, the District is unable to issue any bonds pursuant to the Measure E Authorization because the District's educational technology and classroom security needs require that Measure E bonds be issued in an amount that will cause the outstanding bonded indebtedness of the District to exceed 2.50% of the taxable property of the District;

WHEREAS, the State Board of Education (the "SBE"), pursuant to Education Code Section 33050, has the power to waive provisions of the Education Code upon the request of a school district;

WHEREAS, the Governing Board of the District has determined it to be in the best interests of the District to apply to the SBE for a waiver of that portion of Education Code Section 15270(a) that requires that the aggregate amount of general obligation bonds issued by the District not exceed 2.50% of the taxable property of the District as shown by the last equalized assessment of San Joaquin County. The Superintendent and the Chief Business Official, or their designees (each, an "Authorized Representative"), are hereby authorized and directed to file, on behalf of the District, the Waiver Request with the SBE. The information contained in the attached Waiver Request is similar to that which shall be filled-in on the SBE's
online application, together with such changes and modifications as deemed necessary by the Authorized Representative.

Section 3. Assistance of Consultants. Dale Scott & Company, Inc., financial advisor to the District; and Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, bond counsel and disclosure counsel to the District, are hereby authorized to assist the District in connection with submission of the Waiver Request.

Section 4. Ratification. All actions heretofore taken by the Authorized Representatives, or their respective designees, employees and agents of the Governing Board and the District in connection with preparation and submission of the Waiver Request are hereby ratified and confirmed.

Section 5. Authorization of Further Acts. The members of the Governing Board, the Authorized Representatives, any assistant thereto, and all other staff or officers of the District are hereby authorized and directed, individually and collectively, to do any and all things necessary or advisable in connection with the submission of the Waiver Request and consistent with the purposes of this Resolution.

Section 6. Effective Date. This Resolution shall take effect immediately upon its adoption by the Governing Board.

PASSED AND ADOPTED by the following vote of the members of the Governing Board of the Stockton Unified School District, San Joaquin County, California, this 24th day of March 2015:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: ____________________________

Julie Penn, Interim Superintendent and Secretary of the Governing Board, Stockton Unified School District
Waiver Request System
Submission

Instructions:

Fields marked with an asterisk (*) are required.

The format for all dates is mm/dd/yyyy.

Use the 'Attachments' section below to attach all supporting documents if required.

Make sure all information is accurate before selecting submit. You will not be able to edit this waiver once you have submitted the form.

DO NOT at any time hit the back button. You will lose all your information.

Use brackets [ ] for putting Education Code section to be waived. See FAQ for details.

Do not use abbreviations for bargaining units.

Refer to the FAQ for general questions.

The waiver request page is time sensitive. You must be able to complete the waiver request within two hours. Failure to complete and submit the waiver request in the two hours will result in the loss of all previously entered information.

District Information

*County: San Joaquin

*District: Stockton Unified

*Address: 701 North Madison

*City: Stockton

*State: CA

*Zip code: 95202

Fax:

Waiver Information

*Period of request start date:

*Period of request end date:

*Is this waiver a renewal? No Yes

*Waiver topic: School Construction Bonds

*Ed Code title: Bond Indebtedness Limit - Unified S.D.

*Ed Code section: 15270

*Ed Code authority: 33050-33053

*Education Code or California Code of Regulations (CCR) section to be Waived. If the request is to waive a portion of a section, type the text of the pertinent sentence of the law, or those exact phrases requested to be waived (use [ ] to
Education Code 15270. [(a) Notwithstanding Sections 15102 and 15268, any unified school district may issue bonds pursuant to this article that, in aggregation with bonds issued pursuant to Chapter 1 (commencing with Section 15100), may not exceed 2.5 percent of the taxable property of the district as shown by the last equalized assessment of the county or counties in which the district is located. The bonds may only be issued if the tax rate levied to meet the requirements of Section 18 of Article XVI of the California Constitution in the case of indebtedness incurred pursuant to this chapter at a single election, by a unified school district, would not exceed sixty dollars ($60) per year per one hundred thousand dollars ($100,000) of taxable property when assessed valuation is projected by the district to increase in accordance with Article XIII A of the California Constitution.]

*Student population

Located in a(n) city

*Describe briefly the circumstances that brought about the request and why the waiver is necessary to achieve improved student performance and/or streamline or facilitate local agency operations. If more space is needed, please attach additional documents using the 'Attachments' section below.

Public Hearing

*Date of public hearing: 03/24/2015

*How was the required public hearing advertised? Notice in newspaper

*Local board approval date: 03/24/2015

*Please identify the appropriate council(s) or advisory committee(s) that reviewed this waiver.

*Date the committee/council reviewed the waiver request:

*Were there any objection(s) Yes

Bargaining Unit

If the specific waiver you are submitting requires bargaining unit participation select yes and fill out the information. If it does not require bargaining unit participation, select no.

*Does the district have any employee bargaining units? Yes

Attachments

*Is this waiver associated with an apportionment related audit penalty? (per EC 41344) Yes

*Has there been a Categorical Program Monitoring (CPM) finding on this issue? Yes

if needed, upload additional file(s) here (must be Word, Excel, or PDF format)

Upload

Contact Information

*Title: Ms.

*First name: Michele

*Last name: Huntoon

*Position: Chief Business
Desired Outcome

The granting of this waiver will permit the Stockton Unified School District (the “District”) to issue up to $8,600,000 in Ed-Tech Bonds in 2015.

Rationale

A.  Background

The Stockton Unified School District (the “District”) was established on July 1, 1936 and is located in San Joaquin County. The boundaries of the District cover an area of approximately 55 square miles. The District has 54 schools, including 41 K-8 schools (including one K-5 school, and two charter schools), 11 high schools (including three specialty high schools, and four specialty charter high schools), one K-12 special education school, and one adult education school. The District also maintains an independent study program and a child development program.

On November 4, 2014, District voters approved a general obligation bond measure in the amount of $114,000,000 (the “2014 Authorization”). Proceeds from the bonds are to be used to maintain and upgrade educational technology and upgrade classroom security systems in District facilities throughout the District.

The District's assessed valuation went through a period of significant decline from 2010 through 2013. And, while the District's assessed valuation is beginning to rebound, it has not sufficiently recovered. Consequently, the District is unable to issue any general obligation bonds under the 2014 Authorization without exceeding its 2.5% statutory bonding capacity under the California Education Code.

The District desires to issue its Ed Tech general obligations bonds under its 2014 Authorization and is now requesting a waiver of Education Code Section 15270(a).

B.  Financial Information

1.  The attached Bonding Capacity Analysis shows the assessed valuation, projected tax rates and existing and proposed debt service requirements.

C.  Reasons to approve this waiver
1. Approval will permit the District to maintain and upgrade educational technology and upgrade classroom security systems in District facilities throughout the District, so that the District does not have to wait until a future fiscal year when the bond indebtedness of the District is expected to fall below the 2.5% limit set forth in the California Education Code.

2. Approval will allow the District to capitalize on lower construction costs.

3. Approval will allow the District to take advantage of near historic low interest rates.

4. Approval will satisfy the will of District voters who, at the November 4, 2014 election, reviewed and approved $114,000,000 of Ed Tech general obligation bonds. The voters approved issuing these new bonds under a new tax rate cap so that needed District projects can be completed now, instead of years from now.
SUBJECT: Adoption of Resolution No. 14-45 of the Governing Board of the Stockton Unified School District Approving Submission of a Waiver Request of the Bonding Capacity Limitation to the State Board of Education [GO Bonds]

INTRODUCTION:

The voters within the Stockton Unified School District approved a bond measure in the past 2012 Election under Measure E (“Measure 2012 E”). In the November 2012 Election, voters reauthorized the issuance of $156,000,000 general obligation bonds for capital facility needs.

The District is unable to issue general obligation bonds under the 2012 Measure E Authorization due to the bonding capacity limitation in Section 15270(a) of the California Education Code which provides, in part, that the aggregate amount of general obligation bonds cannot exceed 2.5% of the taxable property of the District as shown on the last equalized assessment of San Joaquin County. Because the assessed valuation within the District declined by 10.2%, 7.8%, 4.0% and 1.5% from fiscal year 2008-09 to 2009-10 through 2012-13, respectively, the District’s bonding capacity has declined, thereby increasing the need for the requested waiver.

The District is seeking a waiver to allow for the issuance of $30 million in GO bonds, for the continuation of the bond passed by voters in 2012 for improved facilities.

ANALYSIS:

1. The District desires to issue general obligation bonds under its 2012 Measure E Authorizations in one series, amortized over 25 to 30 years, as promised to voters, to provide financing for school facility needs.

2. The District cannot issue general obligation bonds under the 2012 Measure E Authorization without exceeding the statutory bonding capacity limitation in Section 15270(a) of the California Education Code.

3. It is estimated that issuing approximately $30,000,000 of general obligation bonds in one series under the 2012 Measure E Authorization will raise the District’s total indebtedness to approximately 3.60% of its current assessed valuation. While in concurrence with acquiring this waiver on the 2012 Measure E Authorization, the District is planning on receiving a separate waiver on its 2014 Measure E Authorization (“2014 Measure E”), where District voters approved a $114 million bond to fund technology and classroom security systems throughout the district. The District plans on issuing $8,600,000 in General Obligation bonds
from its 2014 Measure E Authorization. Together, the waivers on the 2012 Measure E Authorization, and 2014 Measure E Authorization will raise the District’s total indebtedness to 3.68% of its assessed valuation. It is further estimated that by 2021-22, the indebtedness would be reduced to 2.45%.

4. Approval of the waiver by the State Board of Education will (a) allow the District to finance for the construction, rehabilitation, repair and/or equipping of public school facilities, so that the District will not have to wait until fiscal year 2020 when the bond indebtedness of the District is expected to fall below the limit set forth in the California Education Code; (b) allow the District to capitalize on lower construction costs; (c) allow the District to take advantage of near historic low interest rates; and (d) satisfy the will of District voters who, at the 2012 election, approved the Measure E Authorization so that needed District projects could be completed now, instead of years from now.

Funding Source: General Obligation Bonds

RECOMMENDATION

It is recommended that the Governing Board adopt Resolution No. 14-45 approving submission of a waiver request of the bonding capacity limitation [GO Bonds] to the State Board of Equalization.

Prepared by: Ms. Michele A. Huntoon, CPA
Chief Business Official

Approved by: Ms. Julie Penn, Interim Superintendent
RESOLUTION NO. 14-45

RESOLUTION OF THE GOVERNING BOARD OF THE
STOCKTON UNIFIED SCHOOL DISTRICT APPROVING SUBMISSION
OF A WAIVER REQUEST OF THE BONDING CAPACITY LIMITATION TO THE
STATE BOARD OF EDUCATION [GO BONDS]

WHEREAS, on February 5, 2008, the Stockton Unified School District (the "District") obtained approval from more than 55% of District voters for the issuance of general obligation bonds in the aggregate principal amount of $464,500,000 (the "Measure Q Authorization");

WHEREAS, as a result of the general economic downturn and declines in the assessed valuations of property in the District since 2008, the Governing Board determined that the District would be unable to issue additional series of general obligation bonds under its remaining Measure Q Authorization due to its inability to satisfy the tax rate projections required under the Strict Accountability Act, which requires that, at the time any series of general obligation bonds are issued, a unified school district must project that the tax rate levied to pay debt service on such bonds, together with debt service due on previous series of bonds issued under the same authorization, will not exceed $60 per year per $100,000 of taxable property;

WHEREAS, in order to complete the projects for which the Measure Q bonds were authorized, and to avoid excessive borrowing costs which would result from the issuance of long-term capital appreciation bonds, the Governing Board ordered an election held on November 6, 2012;

WHEREAS, at the November 6, 2012 election, more than 55% of District voters approved a ballot measure which authorized $156,000,000 of District’s remaining Measure Q Authorization to be “reauthorized” through the issuance of new bonds (the “Measure E Authorization”);

WHEREAS, as of the date hereof, the District has issued $65,000,000 principal amount of Measure E general obligation bonds and has $91,000,000 of Measure E Authorization remaining;

WHEREAS, Section 15270(a) of the California Education Code limits the amount of bonded indebtedness of the District to 2.50% of the taxable property of the District as shown by the last equalized assessment of San Joaquin County;

WHEREAS, the District now finds that its capital facilities needs require that Measure E bonds be issued in an amount that will cause the outstanding bonded indebtedness of the District to exceed 2.50% of the taxable property of the District;

WHEREAS, the State Board of Education (the "SBE"), pursuant to Education Code Section 33050, has the power to waive provisions of the Education Code upon the request of a school district;
WHEREAS, the Governing Board of the District has determined it to be in the best interests of the District to submit a General Waiver Request (the “Waiver Request”) to the SBE requesting that the SBE waive the requirements of Section 15270(a) of the Education Code;

WHEREAS, as required by Education Code Section 33050, the Governing Board of the District has held a duly noticed public hearing on the submission of the Waiver Request to the SBE; and

WHEREAS, at such hearing the testimony of all interested parties was heard.

NOW, THEREFORE, be it resolved by the Governing Board of the Stockton Unified School District, San Joaquin County, California as follows:

Section 1. Recitals. All of the foregoing recitals are true.

Section 2. Determination to File Waiver Request. The Governing Board of the District hereby determines that it is in the best interests of the District to apply to the SBE for a waiver of that portion of Education Code Section 15270(a) that requires that the aggregate amount of general obligation bonds issued by the District not exceed 2.50% of the taxable property of the District as shown by the last equalized assessment of San Joaquin County. The Superintendent and the Chief Business Official, or their designees (each, an “Authorized Representative”), are hereby authorized and directed to file, on behalf of the District, the Waiver Request with the SBE. The information contained in the attached Waiver Request is similar to that which shall be filled-in on the SBE’s online application, together with such changes and modifications as deemed necessary by the Authorized Representative.

Section 3. Assistance of Consultants. Dale Scott & Company, Inc., financial advisor to the District; and Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, bond counsel and disclosure counsel to the District, are hereby authorized to assist the District in connection with submission of the Waiver Request.

Section 4. Ratification. All actions heretofore taken by the Authorized Representatives, or their respective designees, employees and agents of the Governing Board and the District in connection with preparation and submission of the Waiver Request are hereby ratified and confirmed.

Section 5. Authorization of Further Acts. The members of the Governing Board, the Authorized Representatives, any assistant thereto, and all other staff or officers of the District are hereby authorized and directed, individually and collectively, to do any and all things necessary or advisable in connection with the submission of the Waiver Request and consistent with the purposes of this Resolution.

Section 6. Effective Date. This Resolution shall take effect immediately upon its adoption by the Governing Board.
PASSED AND ADOPTED by the following vote of the members of the Governing Board of the Stockton Unified School District, San Joaquin County, California, this 24\textsuperscript{th} day of March 2015:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: ____________________________

Julie Penn, Interim Superintendent and Secretary of the Governing Board, Stockton Unified School District
Waiver Request System
Submission

Instructions:

Fields marked with an asterisk (*) are required.

The format for all dates is mm/dd/yyyy.

Use the 'Attachments' section below to attach all supporting documents if required.

Make sure all information is accurate before selecting submit. You will not be able to edit this waiver once you have submitted the form.

DO NOT at any time hit the back button. You will lose all your information.

Use brackets [ ] for putting Education Code section to be waived. See FAQ for details.

Do not use abbreviations for bargaining units.

Refer to the FAQ for general questions.

The waiver request page is time sensitive. You must be able to complete the waiver request within two hours. Failure to complete and submit the waiver request in the two hours will result in the loss of all previously entered information.

District Information

*County: San Joaquin

*District: Stockton Unified

*Address: 701 North Madison

*City: Stockton

*State: CA

*Zip code: 95202

Fax:

Waiver Information

*Period of request start date:

*Period of request end date:

*Is this waiver a renewal? No Yes

*Waiver topic: School Construction Bonds

*Ed Code title: Bond Indebtedness Limit - Unified S.D.

*Ed Code section: 15270

*Ed Code authority: 33030-33053

*Education Code or California Code of Regulations (CCR) section to be Waived. If the request is to waive a portion of a section, type the text of the pertinent sentence of the law, or those exact phrases requested to be waived (use [] to
Education Code 15270. [(a) Notwithstanding Sections 15102 and 15268, any unified school district may issue bonds pursuant to this article that, in aggregate with bonds issued pursuant to Chapter 1 (commencing with Section 15100), may not exceed 2.5 percent of the taxable property of the district as shown by the last equalized assessment of the county or counties in which the district is located.] The bonds may only be issued if the tax rate levied to meet the requirements of Section 18 of Article XVI of the California Constitution in the case of indebtedness incurred pursuant to this chapter at a single election, by a unified school district, would not exceed sixty dollars ($60) per year per one hundred thousand dollars ($100,000) of taxable property when assessed valuation is projected by the district to increase in accordance with Article XIII A of the California Constitution.

*Student population

*Located in a(n) city

*Describe briefly the circumstances that brought about the request and why the waiver is necessary to achieve improved student performance and/or streamline or facilitate local agency operations. If more space is needed, please attach additional documents using the 'Attachments' section below.

Public Hearing

*Date of public hearing: 03/24/2015

*How was the required public hearing advertised? Notice in newspaper

*Local board approval date: 03/24/2015

*Please identify the appropriate council(s) or advisory committee(s) that reviewed this waiver.

*Date the committee/council reviewed the waiver request:

*Were there any objection(s) No Yes

Bargaining Unit

If the specific waiver you are submitting requires bargaining unit participation select yes and fill out the information. If it does not require bargaining unit participation, select no.

*Does the district have any employee bargaining units? No Yes

Attachments

*Is this waiver associated with an apportionment related audit penalty? (per EC 41344) No Yes

*Has there been a Categorical Program Monitoring (CPM) finding on this issue? No Yes

If needed, upload additional file(s) here (must be Word, Excel, or PDF format)

Contact Information

*Title: Ms.

*First name: Michele

*Last name: Huntington

*Position: Chief Business
Desired Outcome

The granting of this waiver will permit the Stockton Unified School District (the “District”) to issue up to $30,000,000 in general obligation bonds (as reauthorized by the voters within the District on November 6, 2012) in 2015.

Rationale

A. Background

The Stockton Unified School District (the “District”) was established on July 1, 1936 and is located in San Joaquin County. The boundaries of the District cover an area of approximately 55 square miles. The District has 54 schools, including 41 K-8 schools (including one K-5 school, and two charter schools), 11 high schools (including three specialty high schools, and four specialty charter high schools), one K-12 special education school, and one adult education school. The District also maintains an independent study program and a child development program.

On February 5, 2008, District voters approved a general obligation bond measure in the amount of $464,500,000 (the “2008 Authorization”). However, because the District’s assessed valuation had decreased by 22% which has made the debt service for the bonds approved at the 2008 Election close to or at the Proposition 39 tax rate cap of $60 per $100,000 of assessed valuation, the District was unable to issue additional bonds under the 2008 Authorization without resorting to issuing expensive capital appreciation bonds, or waiting 20 or more years to issue (thereby delaying the voter approved projects).

In order to continue with the voter approved projects, the District returned to the voters in November 2012 to obtain approval to reauthorize $156,000,000 of the remaining, unissued 2008 Authorization. On November 6, 2012, District voters approved a general obligation reauthorization bond measure in the amount of $156 million (the “2012 Authorization”). The 2012 Authorization would allow the District to issue bonds under a new tax rate cap while saving taxpayers millions of dollars in interest and without increasing the 2008 Authorization.

However, because the District’s assessed valuation had not sufficiently recovered in 2013, the District was unable to issue any general obligation bonds under the 2012 Authorization without exceeding its 2.5% statutory bonding capacity under the California Education Code. The District submitted a first time waiver to the State Board of Education (SBE) for consideration at its May 8, 2013 meeting. The SBE approved the District’s request and the District issued $65,000,000 of
general obligation bonds under its 2012 Authorization, providing financing for the construction, rehabilitation, repair and/or equipping of public school facilities.

The District now desires to issue additional general obligations bonds under its 2012 Authorization and is now requesting a waiver of Education Code Section 15270(a).

B. Financial Information

1. The attached Bonding Capacity Analysis shows the assessed valuation, projected tax rates and existing and proposed debt service requirements.

C. Reasons to approve this waiver

1. Approval will permit the District to provide essential learning and recreational facilities to its students, so that the District does not have to wait until a future fiscal year when the bond indebtedness of the District is expected to fall below the 2.5% limit set forth in the California Education Code.

2. Approval will allow the District to capitalize on lower construction costs.

3. Approval will allow the District to take advantage of near historic low interest rates.

4. Approval will satisfy the will of District voters who, at the November 6, 2012 election, reviewed and approved the reauthorization of $156,000,000 of the 2008 Authorization. The voters approved issuing these new bonds under a new tax rate cap so that needed District projects can be completed now, instead of years from now.