

*****GOVERNOR’S EXECUTIVE ORDER N-25-20***
RE CORONAVIRUS COVID-19**

THIS MEETING WILL BE CONDUCTED PURSUANT TO THE PROVISIONS OF THE GOVERNOR’S EXECUTIVE ORDER WHICH SUSPENDS CERTAIN REQUIREMENTS OF THE RALPH M. BROWN ACT.

MEMBERS OF THE PUBLIC MAY PARTICIPATE REMOTELY AT THE MARCH 18, 2021 MEETING VIA LIVESTREAM. THE LINK(S) WILL BE PROVIDE 24 HOURS PRIOR TO THE MEETING. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA WILL BE TAKEN VIA LIVESTREAM AT THE TIME INDICATED ON THE AGENDA. PUBLIC COMMENT ON SPECIFIC ITEMS ON THE AGENDA WILL BE TAKEN DURING THE TIME THAT ITEM IS DISCUSSED.

**PACIFIC GROVE UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION
REGULAR MEETING**

Trustees

*John Paff, President
Brian Swanson, Clerk
Cristy Dawson
Carolyn Swanson
Jon Walton
Gabriella Giraldo, Student Representative*

DATE: Thursday, March 18, 2021

TIME: 5:30 p.m. Closed Session
6:30 p.m. Open Session

LOCATION: **VIRTUAL MEETING**

Join Zoom Meeting

<https://pgusd.zoom.us/j/89759024090?pwd=cmIxKzQ1eHBDMDIaTUV3UEJHRjI2QT09>

Meeting ID: 897 5902 4090

Passcode: 002807

One tap mobile

+16699006833,,89759024090#,,, *002807# US (San Jose)

+12532158782,,89759024090#,,, *002807# US (Tacoma)

Dial by your location

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 312 626 6799 US (Chicago)

+1 929 205 6099 US (New York)

+1 301 715 8592 US (Washington DC)

Meeting ID: 897 5902 4090

Passcode: 002807

Find your local number: <https://pgusd.zoom.us/u/keIsk7aRFC>

Pacific Grove Unified School District Office

435 Hillcrest Avenue

Pacific Grove, CA 93950

The Board of Education welcomes you to its meetings, which are regularly scheduled for the first and third Thursdays of the month. Regular Board Meetings shall be adjourned by 10:00 pm, unless extended to a specific time determined by a majority of the Board. This meeting may be extended no more than once and may be adjourned to a later date. Individuals who require special accommodation, including but not limited to an American Sign Language interpreter, accessible seating or documentation in accessible formats, should contact the Superintendent at least two days before the meeting date.

Any writings or documents that are public records and are provided to a majority of the Governing Board regarding an open session item on this agenda will be made available for public inspection in the District Office located at 435 Hillcrest Avenue, Pacific Grove during normal business hours.

AGENDA AND ORDER OF BUSINESS

I. OPENING BUSINESS

A. Call to Order

B. Roll Call

C. Adoption of Agenda

Move: _____ Second: _____ Roll Call Vote: _____

Trustees: Paff ___ B. Swanson ___ Dawson___ C. Swanson ___ Walton ___

II. CLOSED SESSION

A. Identify Closed Session Topics

The Board of Education will meet in Closed Session to consider matters appropriate for Closed Session in accordance with Education and Government Code.

1. Negotiations - Collective Bargaining Session planning and preparation with the PGTA for 2020-21 [Government Code § 3549.1 (d)] Executive session between the public school employer and its designated representatives, Buck Roggeman, Song Chin-Bendib and Ralph Gómez Porras, for the purpose of giving direction and updates.
2. Negotiations - Collective Bargaining Session planning and preparation with the CSEA for 2020-21 [Government Code § 3549.1 (d)] Executive session between the public school employer and its designated representatives, Billie Mankey, Song Chin-Bendib and Ralph Gómez Porras for the purpose of giving direction and updates.
3. Conference with Legal Counsel Regarding Existing Litigation pursuant to paragraph (1) of subdivision (d) of Government Code section 54956.9 (1 case)
Name of Case: Austin v. John Doe Monterey County Superior Court Case No. 20CV001686
4. Conference with Legal Counsel Regarding Anticipated Litigation
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9: (1 case)
5. Superintendent Goals and Evaluation

III. RECONVENE IN OPEN SESSION

A. Report action taken in Closed Session:

1. Negotiations - Collective Bargaining Session planning and preparation with the PGTA for 2020-21 [Government Code § 3549.1 (d)]
2. Negotiations - Collective Bargaining Session planning and preparation with the CSEA for 2020-21 [Government Code § 3549.1 (d)]
3. Conference with Legal Counsel Regarding Existing Litigation pursuant to paragraph (1) of subdivision (d) of Government Code section 54956.9
Name of Case: Austin v. John Doe Monterey County Superior Court Case No. 20CV001686
4. Conference with Legal Counsel Regarding Anticipated Litigation
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9: (1 case)
5. Superintendent Goals and Evaluation

B. Pledge of Allegiance

IV. COMMUNICATIONS

- A. Written Communication
- B. Board Member Comments
- C. Superintendent Report
- D. PGUSD Staff Comments (Non Agenda Items)

V. INDIVIDUALS DESIRING TO ADDRESS THE BOARD

Public comment on any item of interest to the public that is within the Board's jurisdiction will be heard. The Board may limit comments to no more than three (3) minutes for each agenda or non-agenda item; a total time for public input on each item is 20 minutes, pursuant to Board Policy 9323. Public comment will also be allowed on each specific action item prior to Board action thereon. This meeting of the Board of Education is a business meeting of the Board, conducted in public. Please note that the Brown Act limits the Board's ability to respond to public comment. The Board may choose to direct items to the Administration for action or place an item on a future agenda.

VI. CONSENT AGENDA

*Items listed under the Consent Agenda are considered to be routine and/or may have been discussed at a previous Board meeting. **There is no discussion of these items prior to the Board vote unless a member of the Board requests specific items be discussed and/or removed from the Consent Agenda.** Each item on the Consent Agenda approved by the Board of Trustees shall be deemed to have been considered in full and adopted as recommended.*

A. Minutes of March 4, 2021 Board Meeting

Recommendation: (Ralph Gómez Porras, Superintendent) Approval of minutes as presented.

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- B. Certificated Assignment Order #15 16
 Recommendation: (Billie Mankey, Director II of Human Resources) The Administration recommends adoption of Certificated Assignment Order #15.
- C. Classified Assignment Order #15 18
 Recommendation: (Billie Mankey, Director II of Human Resources) The Administration recommends adoption of Classified Assignment Order #15.
- D. Acceptance of Donations 20
 Recommendation: (Song Chin-Bendib, Assistant Superintendent) The Administration Recommends that the Board approve acceptance of the donations referenced below.
- E. Warrant Schedule No. 629 21
 Recommendation: (Song Chin-Bendib, Assistant Superintendent) As Assistant Superintendent for Business Services, I certify that I have reviewed the attached warrants for consistency with the District’s budget, and purchasing and accounting practices and therefore, recommend Board approval.
- F. Quarterly Report on Williams Uniform Complaints 23
 Recommendation: (Ralph Gómez Porras, Superintendent) The District Administration recommends that the Board review and approve the information in this quarterly report, per Ed. Code. 35186 (d).
- G. Parent Engagement & Student Success: Nurturing Parent & Caregiver SEL Educational Workshop Series 25
 Recommendation: (Barbara Martinez, Adult School Principal) The District Administration recommends the Board review and approve the contract for services with The Institute for Social and Emotional Learning for a series of 6 parent engagement educational workshops that support student academic and social emotional success in school.
- H. Contract for Service with Beem Video and Photography 30
 Recommendation: (Lito Garcia, Pacific Grove High School Principal) The District Administration recommends the Board review and approve a contract for services with Beem Video and Photography to provide video editing for Pacific Grove High School Choir virtual Winter/Spring Concert.
- I. 2021-22 Monterey Peninsula College (MPC) and Pacific Grove Unified School District (PGUSD) College and Career Access Pathways Partnership Agreement (CCAP) 33
 Recommendation: (Shane Steinback, Pacific Grove High School Assistant Principal and CTE Coordinator) The Administration recommends that the Board approve the 2021-22 College and Career Access Pathways Partnership Agreement (CCAP) between Monterey Peninsula Community College District (MPCCD) and Pacific Grove Unified School District (PGUSD).

Move: _____ Second: _____ Roll Call Vote: _____

Trustees: Paff ___ B. Swanson ___ Dawson___ C. Swanson ___ Walton ___

VII. ACTION/DISCUSSION

- A. District Update on Response to COVID-19/Reopening Plans 62
Recommendation: (Ralph Gómez Porras, Superintendent) The District Administration recommends the Board receive information regarding District response to COVID-19 and secondary schools’ reopening plans and start dates, and provide direction to Administration.

Move: _____ Second: _____ Roll Call Vote: _____

Trustees: Paff ___ B. Swanson ___ Dawson___ C. Swanson ___ Walton ___

- B. Employee Student Learning Support Program 63
Recommendation: (Billie Mankey, Director II of Human Resources) The District Administration recommends the Board review and approve the program for Employee Student Learning Support as fully funded by one-time Covid Relief Funds or provide alternative direction.

Move: _____ Second: _____ Roll Call Vote: _____

Trustees: Paff ___ B. Swanson ___ Dawson___ C. Swanson ___ Walton ___

- C. Authorizing The Issuance and Sale of General Obligation Bonds Election of 2020, Series A, In A Principal Amount Not to Exceed \$6,000,000 And Approving Related Documents and Actions 65
Recommendation: (Song Chin-Bendib, Assistant Superintendent) The District Administration recommends that the Board authorize the issuance and sale of General Obligation Bonds election 2020 Series A, in a principal amount not to exceed \$6,000,000 and approving related documents and actions.

Move: _____ Second: _____ Roll Call Vote: _____

Trustees: Paff ___ B. Swanson ___ Dawson___ C. Swanson ___ Walton ___

- D. Resolution No. 1066 Establishing a Student Activity Special Revenue Fund (Fund 08) To Account for Associated Student Body Activities 204
Recommendation: (Song Chin-Bendib, Assistant Superintendent) The District Administration recommends that the Board review and approve Resolution No. 1066 establishing a Student Activity Special Revenue Fund, Fund 08, to account for Associated Student Body (ASB) activities.

Move: _____ Second: _____ Roll Call Vote: _____

Trustees: Paff ___ B. Swanson ___ Dawson___ C. Swanson ___ Walton ___

- E. Review of District HVAC | Response to COVID 207
Recommendation: (Matt Kelly, Director of Facilities and Transportation) The District Business Office recommends that the Board review and provide feedback on the District HVAC systems.

Move: _____ Second: _____ Roll Call Vote: _____

Trustees: Paff ___ B. Swanson ___ Dawson___ C. Swanson ___ Walton ___

- F. Live Streaming of Pacific Grove Unified School District Board Meetings 223
Recommendation: (Jonathan Mejia, Technology Systems Coordinator) The Administration recommends the Board review and approve the purchase of the necessary equipment in order to live stream the Board meetings from the Jesse Bray Conference Room.

Move: _____ Second: _____ Roll Call Vote: _____

Trustees: Paff ___ B. Swanson ___ Dawson___ C. Swanson ___ Walton ___

- G. Board Calendar/Future Meetings 225
Recommendation: (Ralph Gómez Porras, Superintendent) The Administration recommends that the Board review and possibly modify meeting dates on the attached calendar and determine, given information from the Administration, whether additional Board dates or modifications need to be established.

Move: _____ Second: _____ Roll Call Vote: _____

Trustees: Paff ___ B. Swanson ___ Dawson___ C. Swanson ___ Walton ___

VIII. INFORMATION/DISCUSSION

- A. Elementary Language Program 228
Recommendation: (Ani Silva, Director of Curriculum and Special Projects) The District Administration recommends the Board review and provide direction regarding the options presented to provide a Spanish language program for the elementary schools.

Board Direction: _____

- B. 2020-21 and 2021-22 Budget Discussion 235
Recommendation: (Song Chin-Bendib, Assistant Superintendent) The District Administration recommends that the Board begin reviewing key components or assumptions of the District Budget.

Board Direction: _____

- C. Review and Discuss Current Elementary and Secondary Class Sizes 247
Recommendation: (Song Chin-Bendib, Assistant Superintendent; Billie Mankey, Director II of Human Resources) The District Administration recommends that the Board review and discuss current elementary and secondary class sizes.

Board Direction: _____

D. Future Agenda Items

270

Recommendation: (Ralph Gómez Porras, Superintendent) The Administration recommends that the Board review the list of future agenda items and direct Administration to add items to the list and/or schedule items for a particular agenda.

- Added February 18, 2021: Board requested final review of Governance Handbook (Spring 2021)
- Added February 18, 2021: Board requested a review of grading policies (Spring 2021)
- Added February 18, 2021: A member of the public requested a discussion to explore realignment of 6th graders to the elementary level (Spring 2021)
- Board requested a renewed discussion about District solar panels (May 20, 2021)
- Added February 4, 2021: Return of affordable housing at a later date when more information becomes available (Fall 2021)
- Added March 4, 2021: A Board member requested a study about making ethnic studies a graduation requirement

Board Direction: _____

IX. ADJOURNMENT

Next Board regular Board meeting: April 1, 2021 – VIRTUAL

PACIFIC GROVE UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION
Minutes of Regular Meeting of March 4, 2021 – VIRTUAL

I. OPENED BUSINESS

- A. Called to Order 5:30 p.m.
- B. Roll Call
 - President: Trustee Paff
 - Clerk: Trustee Brian Swanson
 - Trustees Present: Trustee Dawson
Trustee Carolyn Swanson
Trustee Walton
 - Administration Present: Superintendent Porras
Asst. Superintendent Chin-Bendib
 - Board Recorder: Mandi Ackerman
 - Student Board Member: Gabriella Giraldo

C. Adopted Agenda

Changes to the agenda includes WALK-ON Pacific Grove High School Athletics Competition Update and WALK-ON Contract for Services with Inland Mechanical Services.

MOTION Dawson/Brian Swanson to adopt agenda as amended.
Public comment: none
Motion CARRIED by roll call vote 5 – 0

II. CLOSED SESSION

- A. Identified Closed Session Topics
 - 1. Negotiations - Collective Bargaining Session planning and preparation with the PGTA for 2020-21 [Government Code § 3549.1 (d)] Executive session between the public school employer and its designated representatives, Buck Roggeman, Song Chin-Bendib and Ralph Gómez Porras, for the purpose of giving direction and updates.
 - 2. Negotiations - Collective Bargaining Session planning and preparation with the CSEA for 2020-21 [Government Code § 3549.1 (d)] Executive session between the public school employer and its designated representatives, Billie Mankey, Song Chin-Bendib and Ralph Gómez Porras for the purpose of giving direction and updates.
 - 3. Superintendent Goals and Evaluation
- B. Public comment on Closed Session Topics
None.
- C. Adjourned to Closed Session 5:33 p.m.

III. RECONVENED IN OPEN SESSION

6:36 p.m.

A. Reported action taken in Closed Session:

1. Negotiations - Collective Bargaining Session planning and preparation with the PGTA for 2020-21 [Government Code § 3549.1 (d)]

The Board discussed this item.

2. Negotiations - Collective Bargaining Session planning and preparation with the CSEA for 2020-21 [Government Code § 3549.1 (d)]

The Board discussed this item.

3. Superintendent Goals and Evaluation

The Board discussed this item.

B. Pledge of AllegianceLed By: Trustee Paff**IV. COMMUNICATIONS****A. Written Communication**

The Board received letters regarding reopening dates, reopening approach, and elementary schedules.

B. Board Member Comments

Trustee Dawson noted that when the Board receives communications, one voice represents the Board, and thanked Trustee Paff for responding to communications sent to the Board.

Trustee Carolyn Swanson attended the Elementary Town Hall, noted over 330 people made time in their schedules, and that families need the information. Trustee Carolyn Swanson asked for a Town Hall for middle and high schools; thanked staff for helping with the cohorts on campus and for the successful programs.

C. Superintendent Report

Superintendent Porras thanked staff, noted it was a difficult week with the rollout of vaccines, and appreciates the staff's perseverance, noted the District tries to get information out to families and staff as quickly as possible.

D. PGUSD Staff Comments (Non Agenda Items)

Teacher Hetal Patel spoke about the learning curve in Distance Learning and the pandemic, shared Distance Learning experience and asked for time.

Pacific Grove High School Principal Lito Garcia noted the WASC mid-cycle visitation; thanked the teachers including Larry Haggquist for the tremendous work. Principal Garcia noted the WASC highlighted the teachers, aides and counselors for their work.

V. INDIVIDUALS DESIRING TO ADDRESS THE BOARD

Jennifer Meewis thanked the staff, Board and families; spoke about the recent survey sent out to families and noted the challenges of answering the questions based on the way the questions were constructed; found the survey difficult, referenced a question that did not allow families to accurately answer.

Peter Munteer of the Pacific Grove Chamber of Commerce noted Richard Stillwell's birthday on March 17 and that a drive-by celebration is organized from 4-6pm.

Jen Fletcher asked if summer school would be available.

Chris Platt said families need information and communication; noted Pacific Grove Middle School is great; said parents and the Board are advocating for students; noted teachers prefer two vaccine shots; shared mental health claim statistics and noted statistically science says students need to be back in school.

Steve Rodolf said Distance Learning is going well and the teachers are doing a fantastic job.

Pam Weston shared her son's experience back in the classroom and noted a change in demeanor and that today was the best day; noted it is hard for students to learn in Distance Learning.

Robert Down Elementary School Principal noted that Ms. Weston was referring to a Distance Learning support program.

Jaime Guthrie spoke about the desire to have certainty around vaccinations, would love to see the students back in school and that teachers should be vaccinated.

Jennifer Brayden spoke about continuing Zoom Board meetings and the value for families to be able to participate in the meetings.

VI. PRESENTATION

The Board received information regarding *Diversify Our Narrative* by students Marianna Zoelin, Laurel Bowen, Amelia, and Abdhi Jadeja.

The Board appreciated the presentation and the impact the students are making.

Public comment:

Chris Platt said the presentation was impressive and spoke about curriculum and anti-racism.

Teacher Larry Haggquist quoted a poem and said he has learned so much from students and that learning is a two-way process.

Elliott Hazen thanked the students for the presentation.

VII. CONSENT AGENDA

- A. Minutes of February 18, 2021 Board Meeting
- B. Certificated Assignment Order #14
- C. Classified Assignment Order #14
- D. Acceptance of Donations
- E. Warrant Schedule No. 628
- F. Contract for Services with Monterey County Superintendent of Schools for School Services of California, Inc.
- G. Acceptance of Quarterly Treasurer’s Report
- H. Exchange of Copy Machine with Smile for Maintenance and De Lage Landen for the Financing Lease at Forest Grove Elementary
- I. Monterey County Office of Education Contract Services for Internet Service
- J. Extension of Contract with Monterey County Office of Education for Firewall Services
- K. Approval Permit Facilities Use Permits to the City of Pacific Grove

Public comment:

Thomas Vierra asked about bargaining agreements and if there are current bargaining agreements available.

**MOTION Dawson/Carolyn Swanson to approve consent agenda as presented.
Motion CARRIED by roll call vote 5 – 0**

VIII. PUBLIC HEARING/ ACTION/DICUSSION ITEM A

- A. Public Hearing of Pacific Grove Teachers Association Sunshine List for 2020-21

Open Public Hearing 7:30 p.m. Close Public Hearing 7:32 p.m.

- A. Approval of Pacific Grove Teachers Association Sunshine List for 2020-21

MOTION Brian Swanson/Dawson to approve the Pacific Grove Teachers Association Sunshine List for 2020-21.

Public comment: none

Motion CARRIED by roll call vote 5 – 0

IX. PUBLIC HEARING/ ACTION/DICUSSION ITEM B

- B. Public Hearing Pacific Grove Unified School District/Pacific Grove Teachers Association Negotiations Sunshine Topics for 2020-21

Open Public Hearing 7:33 p.m. Close Public Hearing 7:34 p.m.

- B. Approval of the Pacific Grove Unified School District/Pacific Grove Teachers Association Negotiations Sunshine Topics for 2020-21

MOTION Dawson/Carolyn Swanson to approve the Pacific Grove Unified School District/Pacific Grove Teachers Association Negotiations Sunshine List for 2020-21.

Public comment: none

Motion CARRIED by roll call vote 5 – 0

X. ACTION/DISCUSSION

C. District Update on Response to COVID-19/Reopening Plans

Superintendent Porras presented a summary of SB86.

The Board asked questions and discussed this item.

MOTION Paff/Brian Swanson to reopen in phased hybrid, in-person beginning March 22.

Motion DID NOT PASS by roll call vote 2 – 3

Trustees Brian Swanson, Carolyn Swanson, Walton voted against.

Public comment:

Pacific Grove High School Administrative Assistant Jill Houston noted she has children in the District, and thanked Administration, noted things are changing every day.

Elliott Hazen said these are difficult times; asked why teachers cannot teach Distance Learning and Hybrid in-person; said switching teachers is terrifying for students; asked for the District to be creative and to open fully next year.

Jennifer Meewis asked how the school plans to maintain safety for travel, such as after Spring Break; asked why the District shifted the reopening date from April to an earlier date.

Teacher Mary Ann Fort compared District to other local Districts; spoke about the fear for students and the long-term effects; asked if the situation outweighs the risk; and encouraged continued Distance Learning.

John Shrader spoke about the surveys including diviation and biasing; asked if the COVID Safety Plan was approved today, what is the reasonable timeframe to expect reopening.

Pam Weston asked about the possibility of rapid testing and on-site testing.

Adam strongly encouraged the Board to reopen the elementary schools sooner than April 19, 2021.

Teacher Katie Selfridge said she was looking forward to getting back to normal.

MOTION Paff/Brian Swanson to reopen in phased hybrid, in-person beginning March 29, 2021:

Grades TK - 1: Tuesday March 30 and 31

Grades 2 - 3: April 1 and 2

Grades 4 - 5: April 6

Motion CARRIED by roll call vote 2 – 0

Trustees Dawson voted against.

The Board did NOT decide on secondary dates at this meeting. The next Board meeting will be held on March 18, 2021.

- D. Resolution No. 1064 to Approve Revised Municipalities, Colleges, Schools Insurance Group (MCSIG) Joint Powers Authority (JPA) Agreement

Assistant Superintendent Song Chin-Bendib presented information to the Board.

Public comment:

Teacher Christina Luciano spoke about spouses in MCIG cannot opt out.

MOTION Dawson/Brian Swanson to approve the Resolution No. 1064 to Approve Revised Municipalities, Colleges, Schools Insurance Group (MCSIG) Joint Powers Authority (JPA) Agreement.

Motion CARRIED by roll call vote 5 – 0

- E. Approval of the 2020-21 Second Interim Report and the Multi-Year Projections

Assistant Superintendent Song Chin-Bendib presented information to the Board.

MOTION Carolyn Swanson/Dawson to approve the 2020-21 Second Interim Report and the Multi-Year Projections.

Public comment: none

Motion CARRIED by roll call vote 5 – 0

MOTION Dawson/Paff to extend the meeting until 10:45 p.m.

Public comment: none

Motion CARRIED by roll call vote 5 – 0

- F. Receive and Ratify the Payment of Schools Excess Liability Fund (SELF) Invoice

Assistant Superintendent Song Chin-Bendib presented information to the Board.

MOTION Paff/Brian Swanson to receive and ratify the payment of Schools Excess Liability Fund (SELF) Invoice.

Public comment: none

Motion CARRIED by roll call vote 5 – 0

- G. Contract for Services with Optum Serve to Provide Covid-19 Surveillance Testing

Assistant Superintendent Song Chin-Bendib presented information to the Board.

The Board asked questions and discussed this item.

MOTION Dawson/Brian Swanson to approve the contract for services with Optum Serve to provide COVID-19 surveillance testing.

Public comment: none

Motion CARRIED by roll call vote 5 – 0

H. Approval of Contract for Service with AMS.net, Inc for Installation of Paging, Bell, and Clock System at Forest Grove Elementary School

Director of Facilities and Transportation Matt Kelly presented information to the Board. The Board asked questions and discussed this item.

MOTION Dawson/Carolyn Swanson to approve the contract for services with AMS.net, Inc for Installation of Paging, Bell, and Clock System at Forest Grove Elementary School.

Public comment: none

Motion CARRIED by roll call vote 5 – 0

I. Approval to Purchase Toro 7500-D 96” Mower and Diamond C Trailer

Director of Facilities and Transportation Matt Kelly presented information to the Board. The Board asked questions and discussed this item.

MOTION Dawson/Paff to approve the purchase of Toro 7500-D 96” Mower and Diamond C Trailer.

Public comment: none

Motion CARRIED by roll call vote 5 – 0

J. WALK-ON Pacific Grove High School Athletics Competition Update

Pacific Grove High School Principal Lito Garcia presented information to the Board.

The Board asked questions and discussed this item.

Public comment:

Student Jameson Paul thanked the Board for supporting the athletes, said it means a lot to students and it’s more than just a game.

Student Claire Roggeman, Cheer Captain, spoke about conditioning and that their sport is unique and wants to return to cheer.

Angelo Hampton said it has been a difficult year and that the team has put in so much work.

MOTION Dawson/Carolyn Swanson to approve the WALK-ON Pacific Grove High School Athletics Competition Update.

Motion CARRIED by roll call vote 5 – 0

K. WALK-ON Contract for Services with Inland Mechanical Services

The Board separated this item into two parts. The contract for services with Inland Mechanical Services to install a bipolar ionization system will return to the next Board meeting on March 18, 2021.

MOTION Paff/Brian Swanson to approve the contract for HVAC analysis testing only.

Public comment: none

Motion CARRIED by roll call vote 5 – 0

L. Board Calendar/Future Meetings

The Board directed Administration to change the future meetings to in-person/virtual.

MOTION Dawson/Brian Swanson to approve the Board Calendar/Future Meetings.

Public comment: none

Motion CARRIED by roll call vote 5 – 0

XI. INFORMATION/DISCUSSION

A. Future Agenda Items

- Added January 21, 2021: Board requested a review and to receive recommendations by an HVAC expert (March 18, 2021)
- A member of the public requested Dual Language Elementary Program (March 18, 2021)
- Added January 21, 2021: Board requested a review of class sizes (March 18, 2021)
- A member of the public requested that the Board consider streaming all Board meetings after COVID conditions (March 18, 2021)
- Added February 18, 2021: Board requested final review of Governance Handbook (Spring 2021)
- Added February 18, 2021: Board requested a review of grading policies (Spring 2021)
- Added February 18, 2021: Board requested a discussion to explore realignment of 6th graders to the elementary level (Spring 2021)
- Added February 4, 2021: Board requested a Report on CARE Act money (April 1, 2021)
- Board requested a renewed discussion about district solar panels (May 20, 2021)
- Added February 4, 2021: Return of Affordable Housing at a later date when more information becomes available (Fall 2021)

A member of the Board requested an ethnic studies graduation requirement for high school graduates

XII. ADJOURNED

10:47 p.m.

Approved and submitted:

Dr. Ralph Gómez Porras
Secretary to the Board

- Student Learning and Achievement
- Health and Safety of Students and Schools
- Credibility and Communication
- Fiscal Solvency, Accountability and Integrity

- Consent
- Action/Discussion
- Information/Discussion
- Public Hearing

SUBJECT: Certificated Assignment Order #15

DATE: March 18, 2021

PERSON(S) RESPONSIBLE: Billie Mankey, Director II, Human Resources

Page 1 of 2

RECOMMENDATION:

The administration recommends adoption of Certificated Assignment Order #15.

BACKGROUND:

Under Board Policies #4200 and #4211, the Human Resource Office is directed by the Superintendent and the Board of Education to employ the most highly qualified person available for each position. Recruitment and selection procedures include dissemination of vacancy announcements to newspapers, trade journals, the internet through the Pacific Grove Unified School District website, Monterey County Office of Education website and other recruitment websites in California. The recommendation to hire a selected candidate is made after weighing the information obtained by the complete application package, the interview process, and confidential reference checks. No inquiry is made with regard to the age, sex, race, color, religion, national origin, disability or sexual orientation.

INFORMATION:

Persons listed in the Certificated Assignment Order are being recommended to the Board of Education for employment in the District. No individual is recommended to the Board of Education for employment prior to receipt of the criminal background summary.

FISCAL IMPACT:

Funding has been approved and allocated for these items.

**PACIFIC GROVE UNIFIED SCHOOL DISTRICT
 CERTIFICATED PERSONNEL ASSIGNMENT ORDER NO. 15
 March 18, 2021**

2020-21 COACHING and CONDITIONING ASSIGNMENTS

Employee	PGMS Coaching Assignment	% Stipend	Funding	Amount
Jason Worcester	Tennis Coach	1.0	General Fund	\$1,152

RETIREMENT:

Maria Miller, Elementary English Learner Teacher, 0.50 FTE, retires June 30, 2021 after 10.5 successful years of employment with the Pacific Grove Unified School District

SUBSTITUTE:

Brent Kranig, PGHS, In Person Daily Intervention Support for DL teachers and on-site Small Group Cohort Students, paid per time sheet at the daily emergency sub permit rate (\$137/day), 4 days per week, effective February 30, 2021 and ending on or before May 28, 2021. Position is subject to enrollment and programmatic needs.

- Student Learning and Achievement
- Health and Safety of Students and Schools
- Credibility and Communication
- Fiscal Solvency, Accountability and Integrity

- Consent
- Action/Discussion
- Information/Discussion
- Public Hearing

SUBJECT: Classified Assignment Order #15

DATE: March 18, 2021

PERSON(S) RESPONSIBLE: Billie Mankey, Director II, Human Resources

Page 1 of 2

RECOMMENDATION:

The administration recommends adoption of Classified Assignment Order #15

BACKGROUND:

Under Board Policies #4200 and #4211, the Human Resource Office is directed by the Superintendent and the Board of Education to employ the most highly qualified person available for each position. Recruitment and selection procedures include dissemination of vacancy announcements to newspapers, trade journals, the internet through the Pacific Grove Unified School District website, Monterey County Office of Education website and other recruitment websites in California. The recommendation to hire a selected candidate is made after weighing the information obtained by the complete application package, the interview process, and confidential reference checks. No inquiry is made with regard to the age, sex, race, color, religion, national origin, disability or sexual orientation.

INFORMATION:

Persons listed in the Classified Assignment Order are being recommended to the Board of Education for employment in the District. No individual is recommended to the Board of Education for employment prior to receipt of the criminal background summary.

FISCAL IMPACT:

Funding has been approved and allocated for these items.

**PACIFIC GROVE UNIFIED SCHOOL DISTRICT
CLASSIFIED PERSONNEL ASSIGNMENT ORDER NO. 15
March 18, 2021**

Page 2 of 2

NEW HIRE, SHORT TERM/TEMPORARY:

Nancy Selfridge, RDE, Instructional Assistant for In Person Daily Intervention Support to DL teachers and on-site Small Group Cohort Students, Range 30, Step F, paid per time sheet, from 2hrs. to 6 hrs., 5 days per week, effective March 9, 2021 and ending on or before May 28, 2021. Position is subject to enrollment and programmatic needs.

PROMOTION AND CHANGE OF ASSIGNMENT:

Lori Aiello, resigns from PGHS Campus Supervisor, Range 29, Step F, 10 month work calendar and promotes to Administrative Assistant IV, MOT&G, 6 hrs./day/11.5 month work calendar, Range 39, Step C, effective March 9, 2021

- Student Learning and Achievement
- Health and Safety of Students and Schools
- Credibility and Communication
- Fiscal Solvency, Accountability and Integrity

- Consent
- Action/Discussion
- Information/Discussion
- Public Hearing

SUBJECT: Acceptance of Donations

DATE: March 18, 2021

PERSON(S) RESPONSIBLE: Song Chin-Bendib, Assistant Superintendent for Business Services

RECOMMENDATION:

The Administration recommends that the Board approve acceptance of donations referenced below.

INFORMATION:

During the past month the following donations were received:

Forest Grove Elementary School

None

Robert H. Down Elementary School

None

Pacific Grove Middle School

None

Pacific Grove High School

Ohiopyle Prints, Inc.

\$39.17 (undesignated)

Pacific Grove Community High School

None

Pacific Grove Adult School /Lighthouse Preschool & Preschool Plus Co-op

None

Pacific Grove Unified School District

None

- Student Learning and Achievement
- Health and Safety of Students and Schools
- Credibility and Communication
- Fiscal Solvency, Accountability and Integrity

- Consent
- Action/Discussion
- Information/Discussion
- Public Hearing

SUBJECT: Warrant Schedule 629

DATE: March 18, 2021

PERSON(S) RESPONSIBLE: Song Chin-Bendib, Assistant Superintendent for Business Services

RECOMMENDATION:

As Assistant Superintendent for Business Services, I certify that I have reviewed the attached warrants for consistency with the District’s budget, and purchasing and accounting practices and therefore, recommend Board approval.

BACKGROUND:

The attached listing of warrants identifies payments made by the District during the noted time period from February 1, 2021 through February 28, 2021.

INFORMATION:

Prior to the issuance of the warrants, District procedures have been followed to ensure the appropriateness of the item purchased, the correctness of the amount to be paid, and that funds were available within the appropriate budget. All necessary site, department, and district authorizations have been obtained.

Please note a full copy of the warrants are available by request.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT

WARRANT SCHEDULE NO. 629

FEBRUARY 2021

WARRANTS - PAYROLL

Certificated	Regular	02/05/21	\$	-
	Regular	02/10/21	\$	18,453.56
	Regular	02/14/21	\$	-
	Regular	02/28/21	\$	1,697,071.88
<u>Total Certificated</u>			<u>\$</u>	<u>1,715,525.44</u>
Other	Regular	02/05/21	\$	-
	Regular	02/10/21	\$	535.96
	Regular	02/14/21	\$	-
	Regular	02/28/21	\$	1,522.60
<u>Total Other</u>			<u>\$</u>	<u>2,058.56</u>
Classified	Regular	02/05/21	\$	-
	Regular	02/10/21	\$	744.28
	Regular	02/14/21	\$	-
	Regular	02/28/21	\$	640,858.42
<u>Total Classified</u>			<u>\$</u>	<u>641,602.70</u>
<u>TOTAL PAYROLL</u>			<u>\$</u>	<u>2,359,186.70</u>

WARRANTS - ACCOUNTS PAYABLE

	Checks	V-Card Payment		
12600200 - 12600221		04600000002 - 04600000004	02/04/21	\$ 37,180.02
12601054 - 12601086		04600000005 - 04600000008	02/11/21	\$ 57,482.19
12602011 - 12602033		none	02/18/21	\$ 41,575.81
12603547 - 12603587		04600000009 - 04600000012	02/25/21	\$ 116,870.94
<u>TOTAL ACCOUNTS PAYABLE</u>			<u>\$</u>	<u>253,108.96</u>

- Student Learning and Achievement
- Health and Safety of Students and Schools
- Credibility and Communication
- Fiscal Solvency, Accountability and Integrity

- Consent
- Action/Discussion
- Information/Discussion
- Public Hearing

SUBJECT: Quarterly Report on Williams Uniform Complaints

DATE: March 18, 2021

PERSON(S) RESPONSIBLE: Ralph Gómez Porras, Superintendent

RECOMMENDATION:

The District Administration recommends that the Board review and approve the information in this quarterly report, per Ed. Code. 35186 (d).

BACKGROUND:

Each quarter the district is required, per Ed. Code 35186(d) to “prepare and submit a report of summarized data on the nature and resolution of all uniform complaints to the district board and county superintendent.”

INFORMATION:

For the third quarter of the 2020-21 academic year, there were no incidents or complaints filed against any of the criteria: Therefore, it is acknowledged that

1. There are sufficient textbooks and instructional materials for each student to use in class;
2. School facilities are clean, safe and maintained in good repair;
3. There are no teacher vacancies or misassignments;
4. Parents, teachers and the public know how to obtain complaint forms.

FISCAL IMPACT:

None.

Academic School Year 2020-2021

Non-Williams District Uniform Complaints Quarterly Report

[Education Code § 35186]

Big Sur Unified School District
 Bradley Union School District
 Carmel Unified School District
 Graves School District

Lagunita School District
 Mission Union School District
 Pacific Grove Unified School District
 San Antonio Union School District

San Ardo Union School District
 San Lucas Union School District
 Spreckels Union School District
 Washington Union School District

Form Completed By: _____ Title: _____

Quarterly Report Submission Date: *(Please check one)*

October 2020	April 2021
January 2021	July 2021

Date for information to be reported publicly at governing board meeting: _____

Please check the box that applies:

No complaints were filed with any school in the district during the quarter indicated above.

Complaints were filed with schools in the district during the quarter indicated above. The following chart summarizes the nature and resolution of these complaints.

General Subject Area	Total # of Complaints	# Resolved	# Unresolved
Textbooks and Instructional Materials			
Teacher Vacancy or Misassignments			
Facilities Conditions			
TOTALS			

Print Name of District Superintendent



Signature of District Superintendent

Date

Monterey County Office of Education
 Submit Non-Williams Quarterly Report to: Student Services,
 Juanita Martinez, jmartine@montereycoe.org

- Student Learning and Achievement
- Health and Safety of Students and Schools
- Credibility and Communication
- Fiscal Solvency, Accountability and Integrity

- Consent
- Action/Discussion
- Information/Discussion
- Public Hearing

SUBJECT: Parent Engagement & Student Success: Nurturing Parent & Caregiver SEL Educational Workshop Series

DATE: March 18, 2021

PERSON(S) RESPONSIBLE: Barbara Martinez, Pacific Grove Adult School Principal

RECOMMENDATION:

The District Administration recommends the Board review and approve the contract for services with The Institute for Social and Emotional Learning for a series of 6 parent engagement educational workshops that support student academic and social emotional success in school.

BACKGROUND:

Pacific Grove Adult School has provided Parent Engagement for Student Success classes to parents of school age children for the past two years. They are funded by the California Adult Education Program and provide parents the skills they need to support their children’s social emotional wellbeing and academic growth. This past year, parents and students have faced challenges that have affected their mental health which has had an impact on both of these growth areas.

INFORMATION:

The Institute for Social and Emotional Learning empowers educators, young people, and parents to transform their schools into caring, inclusive communities. Since 2009, IFSEL has designed and led professional development Institutes, Workshops, and Consultations with 7000+ educators, from over 700 schools in the United States and abroad.

The Institute for Social and Emotional Learning has organized a special program for PGUSD parents and caregivers. The workshop series will provide:

1. Three pre-recorded 30-minute video introduction. This is shared via a YouTube link. This is an introduction to a series of workshops
2. Three live/synchronous online themed workshops delivered by Zoom. Each workshop would be offered in two tracks – one for K-5th Grade parents and caregivers and one for 6th through 12th Grade parents and caregivers. The first two of these themed sessions are recorded and uploaded to a private YouTube channel for our district to distribute the link within our community.
3. A comprehensive digital packet of resources and materials.

4. An editable flyer containing all the YouTube and Zoom links for our district to use to promote the Series across your community.

These sessions will be offered to two separate groups of parents. One Elementary group and one Middle/High school group:

- **Big Moments: Bringing Calm when Emotions Run High**
This session offers parents an opportunity to reflect on the full range of emotions that parents and children might experience, particularly during this pandemic. We will offer a framework and practical strategies for managing and regulating our own emotions as well as coaching our children to better manage theirs.
- **Communication and Conflict: Building and Repairing Relationships and Getting to Peace:**
This session offers parents practical tools to build and maintain positive approaches to communication within the family, and explores ways to repair and heal relationships when conflict arises or communication falters. We will focus on active and reflective listening, styles of communication, and practices for conflict transformation.
- **The Open Session for Parents: Facilitated Peer-to-Peer support:** This session utilizes The Open Session format to bring connection and support to parents. Parents will anonymously share dilemmas, decisions, or concerns they are facing, and IFSEL team members facilitate peer-to-peer sharing of support, clarification and wisdom. Concurrent sessions can be offered for ESH/ES and MS/HS parents.

FISCAL IMPACT:

The cost of this program is \$7,500 and has been previously budgeted in Fund 11, Parent Engagement for Student Success Program.

Next steps:

The contract time frame is to complete the terms of service in the 2020-2021 school year. Dates of service are to be determined.

Funding Source: Fund 11

Code: 11-6391-0-4110-1000-5800-00-008-1020-0000

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
435 Hillcrest Avenue
Pacific Grove, CA 93950
CONTRACT FOR SERVICES

This contract is an agreement between the Pacific Grove Unified School District and The Institute of Social and Emotional Learning (IFSEL) for services rendered as specified below.

1. Scope of Service:

- 1. One pre-recorded 30-minute video introduction. This is shared via a YouTube link.
- 2. Three live/synchronous online themed workshops delivered by Zoom. **Each workshop would be offered in two tracks – one for K-5th Grade parents and caregivers and one for 6th-12th Grade parents and caregivers.** The first two of these themed sessions are recorded and uploaded to a private YouTube channel for you to distribute the link within your community.
- 3. A comprehensive digital packet of resources and materials.
- 4. An editable flyer containing all the YouTube and Zoom links for you to use to promote the Series across your community (See attached example)

2. Evaluation and/or expected outcome(s)(continue on attached page if needed):
Click or tap here to enter text.

3. Length of the Contract:

Service is to be provided on the following date(s):
TBD by site administration

4. Financial Consideration:

Consultant to be paid at the rate of:
The price for delivering this project is \$7,500. This fee is due upon execution of this contract. This scope of work will be delivered entirely online, so there will be no hotel, meal or travel expenses. Please review our cancellation policy below.
School Funding Source: Click or tap here to enter text.
Account Code: Click or tap here to enter text.

Consultant (Please print) Click or tap here to enter text.

Address Click or tap here to enter text. Phone: Click or tap here to enter text.

Signed _____ Date Click or tap to enter a date.

Email Click or tap here to enter text.

District Employee Independent Consultant

Signed _____ Date _____
Site/Program Administrator (Check appropriate box below)

Contracted work was assigned using District’s normal employment recruitment process.

Contracted work was not assigned using District’s normal employment recruitment process.
Attached Criteria Page (REQUIRED) identifies reason.

Signed _____ Date _____

Director of Human Resources

Signed _____ Date _____

Assistant Superintendent

ALL SIGNATURES MUST BE OBTAINED BEFORE SERVICES ARE PROVIDED.

***Independent Consultant** must sign and submit a W-9 to District prior to providing service.

BOARD APPROVAL DATE Click or tap to enter a date.

Contract for Services Criteria

District/Site Administrator – Please circle criteria that apply and sign below.

- (1) There is a specifically documented cost savings relative to using district employment. (The documentation requirements are specified and must be attached).
- (2) The contract is for new school district functions and the Legislature has specifically mandated or authorized the performance of the work by independent contractors.
- (3) The services contracted are not available within the district, cannot be performed satisfactorily by school district employees, or are of such a highly specialized or technical nature that the necessary expert knowledge, experience, and ability are not available through the school district.
- (4) The services are incidental to a contract for the purchase or lease of real or personal property. Contracts under this criterion, known as "service agreements," shall include, but not be limited to, agreements to service or maintain office equipment or computers that are leased or rented.
- (5) The policy, administrative, or legal goals and purposes of the district cannot be accomplished through the utilization of persons selected pursuant to the regular or ordinary school district hiring process. Contracts are permissible under this criterion to protect against a conflict of interest or to ensure independent and unbiased findings in cases where there is a clear need for a different, outside perspective. These contracts shall include, but not be limited to, obtaining expert witnesses in litigation.
- (6) The nature of the work is such that the criteria for emergency appointments apply. "Emergency appointment" means an appointment made for a period not to exceed 60 working days either during an actual emergency to prevent the stoppage of public business or because of the limited duration of the work. The method of selection and the qualification standards for an emergency employee shall be determined by the district. The frequency of appointment, length of employment, and the circumstances appropriate for the appointment of firms or individuals under emergency appointments shall be restricted so as to prevent the use of emergency appointments to circumvent the regular or ordinary hiring process.
- (7) The contractor will provide equipment, materials, facilities, or support services that could not feasibly be provided by the school district in the location where the services are to be performed.
- (8) The services are of such an urgent, temporary, or occasional nature that the delay incumbent in their implementation under the district's regular or ordinary hiring process would frustrate their very purpose.

Barbara Martinez Principal, PGAE

March 08, 2021

District/Site Administrator

Date

- Student Learning and Achievement
- Health and Safety of Students and Schools
- Credibility and Communication
- Fiscal Solvency, Accountability and Integrity

- Consent
- Action/Discussion
- Information/Discussion
- Public Hearing

SUBJECT: Contract for Services with Beem Video and Photography

DATE: March 18, 2021

PERSON(S) RESPONSIBLE: Lito Garcia, Principal, PGHS

RECOMMENDATION:

The District Administration recommends the Board review and approve a contract for services with Beem Video and Photography to provide video editing for Pacific Grove High School Choir virtual Winter/Spring Concert and Pacific Grove High School Musical

BACKGROUND:

Due to COVID, regular in-person concerts are not available as a choice to show what the students are working on. So, during this unprecedented time, the music departments have found that virtual choir and musical can work as a short-term substitute.

INFORMATION:

The choir is putting together a virtual spring concert. Also, the musical participants are performing virtually. To do this, they are editing audio and video together for all the songs and parts the students are working on. Michelle and Sean Boulware are doing all sound editing and putting the final concert and musical together. Beem Video and Photography will be taking the individual videos and the mixed audio and compiling a concert and musical presentation.

FISCAL IMPACT:

\$1000 to be paid by site donation account; \$1000 to be paid by PG Musical ASB Account

PACIFIC GROVE UNIFIED SCHOOL DISTRICT

**435 Hillcrest Avenue
Pacific Grove, CA 93950**

CONTRACT FOR SERVICES

This contract is an agreement between the Pacific Grove Unified School District and Beem Video and Photography for services rendered as specified below.

1. Scope of Service:

To provide : Video editing for HS Choir virtual Winter/Spring Concert and HS Musical

2. Evaluation and/or expected outcome(s)(continue on attached page if needed):

Students will videotape themselves and submit the videos to Beem who will then complete a large scale production out of the individual videos.

3. Length of the Contract:

Service is to be provided on the following date(s):
March-May 2021

4. Financial Consideration:

Consultant to be paid at the rate of: \$1000 per project Not to exceed \$2000
School Funding Source: HS Site Music Donations (\$1000); ASB (\$1000)
Account Code: 01-9006-0-1110-1000-5800-00-006-7280-0720; ASB 555-PG Musicals

Consultant (Please print) Beem Video and Photography

Address: PO Box 104, Monterey, CA 93940 Phone:805-801-9054 Email: ashleybeem@yahoo.com

Signed _____ Date _____

Consultant Signature

District Employee

Independent Consultant

Signed _____ Date _____

Site/Program Administrator (Check appropriate box below)

Contracted work was assigned using District's normal employment recruitment process.

Contracted work was not assigned using District's normal employment recruitment process. Attached
Criteria Page (REQUIRED) identifies reason.

Signed _____ Date _____

Director of Human Resources

Signed _____ Date _____

Assistant Superintendent

ALL SIGNATURES MUST BE OBTAINED BEFORE SERVICES ARE PROVIDED.

***Independent Consultant** must sign and submit a W-9 to District prior to providing service.

Contract for Services Criteria

District/Site Administrator – Please circle criteria that apply and sign below.

- (1) There is a specifically documented cost savings relative to using district employment. (The documentation requirements are specified and must be attached).
- (2) The contract is for new school district functions and the Legislature has specifically mandated or authorized the performance of the work by independent contractors.
- (3) The services contracted are not available within the district, cannot be performed satisfactorily by school district employees, or are of such a highly specialized or technical nature that the necessary expert knowledge, experience, and ability are not available through the school district.
- (4) The services are incidental to a contract for the purchase or lease of real or personal property. Contracts under this criterion, known as "service agreements," shall include, but not be limited to, agreements to service or maintain office equipment or computers that are leased or rented.
- (5) The policy, administrative, or legal goals and purposes of the district cannot be accomplished through the utilization of persons selected pursuant to the regular or ordinary school district hiring process. Contracts are permissible under this criterion to protect against a conflict of interest or to ensure independent and unbiased findings in cases where there is a clear need for a different, outside perspective. These contracts shall include, but not be limited to, obtaining expert witnesses in litigation.
- (6) The nature of the work is such that the criteria for emergency appointments apply. "Emergency appointment" means an appointment made for a period not to exceed 60 working days either during an actual emergency to prevent the stoppage of public business or because of the limited duration of the work. The method of selection and the qualification standards for an emergency employee shall be determined by the district. The frequency of appointment, length of employment, and the circumstances appropriate for the appointment of firms or individuals under emergency appointments shall be restricted so as to prevent the use of emergency appointments to circumvent the regular or ordinary hiring process.
- (7) The contractor will provide equipment, materials, facilities, or support services that could not feasibly be provided by the school district in the location where the services are to be performed.
- (8) The services are of such an urgent, temporary, or occasional nature that the delay incumbent in their implementation under the district's regular or ordinary hiring process would frustrate their very purpose.

District/Site Administrator

Date

- Student Learning and Achievement
- Health and Safety of Students and Schools
- Credibility and Communication
- Fiscal Solvency, Accountability and Integrity

- Consent
- Action/Discussion
- Information/Discussion
- Public Hearing

SUBJECT: 2021-22 Monterey Peninsula College (MPC) and Pacific Grove Unified School District (PGUSD) College and Career Access Pathways Partnership Agreement (CCAP)

DATE: March 18, 2021

PERSON(S) RESPONSIBLE: Shane Steinback, Pacific Grove High School Assistant Principal and CTE Coordinator

RECOMMENDATION:

The Administration recommends that the Board approve the 2021-22 College and Career Access Pathways Partnership Agreement (CCAP) between Monterey Peninsula Community College District (MPCCD) and Pacific Grove Unified School District (PGUSD).

BACKGROUND:

The CCAP Agreement is a recurring item which was moved to consent when passed by MPC in February of this year.

California Assembly Bill 288 (AB 288) established the College and Career Access Pathways Act to authorize California Community College districts to enter into formal partnership agreements with local school districts to expand access to dual enrollment opportunities for high school students. The partnership agreement shall outline the terms of their partnership, such as the schedule of eligible courses that can be offered, thresholds for the academic readiness of pupils, protocols for sharing and joint facilities use, language pertaining to reimbursement, and requirements of instructors.

The new California College and Career Indicator (CCI) includes dual enrollment in two of its five factors for *Prepared* high school graduates that are considered college and career ready.

INFORMATION:

Pacific Grove High School will be offering 11 dual enrolled CTE courses during the 2021-22 school year in our Culinary and Photography pathways. These dual enrolled classes are semester long courses and will be free of charge to PGHS students and will earn them industry certifications and college and career readiness acknowledgement by the State. These dual enrollment opportunities will allow students to earn college credit without a high-stakes test. More dual enrollment courses are planned for the 2022-23 school year.

FISCAL IMPACT:

Positive fiscal impact in the form of MPC Reimbursement of an estimated \$21,000.

**COLLEGE AND CAREER ACCESS PATHWAYS
A DUAL ENROLLMENT PARTNERSHIP AGREEMENT
2021-2022**

This College and Career Access Pathways Partnership Agreement (CCAP Agreement) is between Monterey Peninsula College (“COLLEGE”) a college of the Monterey Peninsula Community College District (“MPCCD”), 980 Fremont Street, Monterey, CA 93940, and Pacific Grove Unified School District hereinafter known as “SCHOOL DISTRICT”.

WHEREAS, the mission of the COLLEGE includes providing educational programs and services that are responsive to the needs of the students and communities within the Monterey Peninsula Community College District; and

WHEREAS, students who complete college credit while enrolled in high school are more likely to earn high school diplomas, to enroll in community colleges and four-year colleges, to attend post-secondary education on a full-time basis, and to complete degrees in those institutions than students without these experiences; and

WHEREAS, SCHOOL DISTRICT is a public school district serving grades K-12 located in Monterey County and within the regional service area of MPCCD, unless otherwise specified and agreed to as specified in Sec. 2 (e); and

WHEREAS, MPCCD and SCHOOL DISTRICT desire to enter into this CCAP Agreement for the purpose of offering or expanding dual enrollment opportunities, consistent with the provisions of AB 288, for high school students “who may not already be college bound or who are underrepresented in higher education with the goal of developing seamless pathways from high school to community college for career technical education or preparation for transfer improving high school graduation rates, and assisting high school pupils to achieve college and career readiness” Sec. 2 (a) and “underachieving students, those from groups underrepresented in postsecondary education, those who are seeking advanced studies while in high school, and those seeking a career technical education credential or certificate.” Sec. 1 (d)

WHEREAS, instruction will comply with the student selection standards, curriculum guidelines, recommendations and procedures promulgated by applicable law, the California Community College Chancellor’s Office and COLLEGE;

NOW THEREFORE MPCCD and SCHOOL DISTRICT agree as follows:

Note: All referenced Sections from AB 288 (Education Code § 76004)

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1. TERM OF AGREEMENT

- 1.1 The term of this CCAP Agreement shall be for one year beginning on July 1, 2021 and ending on June 30, 2022, and requires annual renewal each year by July 1, unless otherwise terminated in accordance with Section 19 of this Agreement.
- 1.2 This CCAP Agreement outlines the terms of the Agreement. The CCAP Agreement Appendix shall specify additional detail regarding, but not be limited to, the total number of high school students projected to be served and the total number of full-time equivalent students projected to be claimed by the community college district for those students; the scope, nature, time, location, and listing of community college courses to be offered; and criteria to assess the ability of pupils to benefit from those courses. The CCAP Agreement Appendix shall also establish protocols for information sharing in compliance with all applicable state and federal privacy laws, joint facilities use, and parental consent for high school pupils to enroll in community college courses. Sec. 2 (c)(1)
- 1.3 The CCAP Agreement Appendix shall identify a point of contact for the participating community college district and school district partner. Sec. 2 (c)(2)
- 1.4 A copy of the COLLEGE AND SCHOOL DISTRICT CCAP Agreement shall be filed with the office of the Chancellor of the California Community Colleges and with the department [California Department of Education] before the start of the CCAP partnership. Sec. 2 (c)(3)
- 1.5 COLLEGE and SCHOOL DISTRICT shall each present, take comments from the public on, and approve or disapprove the dual enrollment partnership agreement at an open public meeting.

2. DEFINITIONS

- 2.1 CCAP Agreement Courses - Courses offered as part of this CCAP Agreement shall be community college courses acceptable towards a career technical education credential or certificate, or preparation for transfer, or appropriate to improve high school graduation rates or help high school pupils achieve college and career readiness. All community college courses offered at the SCHOOL DISTRICT have been approved in accordance with the policies and guidelines of MPCCD and applicable law. Sec. 2 (a)
- 2.2 Consistent with AB 288, this CCAP Agreement may include “underachieving students, those from groups underrepresented in postsecondary education, those who are seeking advanced studies while in high school, and those seeking a career technical education credential or certificate.” Sec. 1 (d)
- 2.3 Pupil or Student - A resident or nonresident student attending high school in California. High school pupils enrolled in a course offered through a CCAP partnership shall not be assessed any fee that is prohibited by section 4901.1

Note: All referenced Sections from AB 288 (Education Code § 76004)

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3. STUDENT ELIGIBILITY, SELECTION AND ENROLLMENT, ADMISSION, REGISTRATION, MINIMUM SCHOOL DAY
- 3.1 Student Eligibility - High school students who “may not already be college bound or who are underrepresented in higher education, with the goal of developing seamless pathways from high school to community college for career technical education or preparation for transfer, improving high school graduation rates, and assisting high school pupils to achieve college and career readiness” Sec. 2 (a) and “underachieving students, those from groups underrepresented in postsecondary education, those who are seeking advanced studies while in high school, and those seeking a career technical education credential or certificate.” Sec. 1 (d)
- 3.2 Student Selection and Enrollment - Enrollment shall be open to all eligible students as part of the CCAP Agreement who have been admitted to the COLLEGE and who meet all applicable prerequisites. Student selection criteria may be further specified in the CCAP Agreement Appendix. Applicable prerequisite courses, training, or experience and standards required as preparation for courses offered through the CCAP Agreement will be determined by the COLLEGE and shall be in compliance with applicable law and MPCCD standards and policies.
- 3.3 College Admission and Registration - Procedures for students participating in the CCAP Agreement shall be governed by the COLLEGE and shall be in compliance with the admissions and registration guidelines set forth in applicable law and MPCCD policy.
- 3.4 Student Records – It is the responsibility of the student to follow the COLLEGE process when requesting an official COLLEGE transcript for grade submission to the SCHOOL DISTRICT unless otherwise specified in the Appendix.
- 3.5 Priority Enrollment - A COLLEGE participating in this CCAP Agreement may assign priority course registration to a pupil seeking to enroll in a community college course that is required for the pupil’s CCAP partnership program that is equivalent to the priority assigned to a pupil attending middle college high school as described in Section 11300 and consistent with middle college high school provisions in Section 76001. Sec. 2 (3)(g)

Note: All referenced Sections from AB 288 (Education Code § 76004)

3 | Page

- 3.6 As part of a CCAP Agreement, a participating community college district shall not provide physical education course opportunities to high school students or any other course opportunities that do not assist in the attainment of the goals associated with career technical education or preparation for transfer, improving high school graduation rates, or helping high school students achieve career and college readiness. Sec. 2 (d)
- 3.7 Students participating in a CCAP Agreement may enroll in up to a maximum of 15 units per term per conditions specified in AB 288, Sec. 2 (p)(1)(2)(3). Specifically, the units must constitute no more than four community college courses per term and be part of an academic program that is part of the Agreement designed to award students with both a high school diploma and an associate degree or certificate or a credential.
- 3.8 Minimum School Day - The SCHOOL DISTRICT shall certify that it shall teach SCHOOL DISTRICT students participating as part of a CCAP Agreement no less than the number of instructional minutes required to complete a minimum school day pursuant to Education Code §§ 46141 and 46142.

4. COLLEGE APPLICATION PROCEDURE

- 4.1 The COLLEGE will be responsible for processing student applications.
- 4.2 The COLLEGE will provide the necessary admission and registration forms and procedures; and both COLLEGE and SCHOOL DISTRICT will jointly ensure that each applicant accepted has met all the enrollment requirements, including liability and medical care coverage requirements, if any.
- 4.3 The SCHOOL DISTRICT agrees to assist COLLEGE in the admission and registration of SCHOOL DISTRICT students as may be necessary and requested by COLLEGE.
- 4.4 COLLEGE admission and registration requires that each participating student has completed the COLLEGE enrollment application process.
- 4.5 Participating students enrolled in a course offered through a CCAP Agreement shall not be assessed any fee that is prohibited by California Education Code Sections 49011, 76060.5, 76140, 76223, 76300, 76350, and 79121. Sec. 2 (f)(q)

5. PARTICIPATING STUDENTS

- 5.1 A high school student enrolled in a course offered through a CCAP Agreement shall not be assessed any fee that is prohibited by Education Code Section 49011. See also Sec. 2 (f)(q). The governing board of a community college district participating in a CCAP partnership agreement established pursuant to this article shall exempt special part-time students described in subdivision (p) from the fee requirements in Sections 76060.5, 76140, 76223, 76300, 76350, and 79121.

Note: All referenced Sections from AB 288 (Education Code § 76004)

- 5.2 The total cost of books and instructional materials for SCHOOL DISTRICT students who enroll in a COLLEGE course offered as part of this CCAP Agreement will be specified in the Appendix to this Agreement. Costs will be borne by SCHOOL DISTRICT.
- 5.3 Participating students must meet all MPCCD prerequisite requirements as established by the MPCCD and stated in the COLLEGE catalog before enrolling in a course offered as part of this CCAP Agreement.
- 5.4 Grades earned by students enrolled in courses offered as part of this CCAP Agreement will be posted on the official COLLEGE transcript. Students may submit a request for Pass/No Pass if the course is designated as such in the COLLEGE catalog.
- 5.5 Students enrolled in courses offered as part of this CCAP Agreement will be directed to the official catalog of the COLLEGE for information regarding applicable policies and procedures.
- 5.6 Students enrolled in COLLEGE courses offered as part of this CCAP Agreement will be eligible for student support services, which shall be available to them at the COLLEGE or through the SCHOOL DISTRICT. COLLEGE shall ensure that student support services, including admissions and records, counseling and guidance, assistance with assessment and placement, and tutoring are available to participating students at the COLLEGE. SCHOOL DISTRICT shall ensure that support services, including counseling and guidance, and assistance with assessment and placement are available to students at the SCHOOL DISTRICT.
- 5.7 COLLEGE shall ensure that additional support is available to students with disabilities. Participating students at the COLLEGE must be deemed eligible for services through the COLLEGE program for students with disabilities and will receive only the services authorized by the COLLEGE.
- 5.8 Students who withdraw from courses offered as part of this CCAP Agreement will not receive COLLEGE credit. Students must comply with, and submit appropriate information/paperwork, by all published deadlines. Transcripts will be annotated according to COLLEGE policy.
- 5.9 A course dropped within the MPCCD drop “without a W” deadline will not appear on the SCHOOL DISTRICT or the COLLEGE transcript.

6. CCAP AGREEMENT COURSES

- 6.1 A COLLEGE may limit enrollment in a community college course solely to eligible high school students if the course is offered at a high school campus during the regular school day and the community college course is offered pursuant to a CCAP Agreement. Sec. 2 (o)(1)

Note: All referenced Sections from AB 288 (Education Code § 76004)

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- 6.2 Courses offered as part of this CCAP Agreement at the COLLEGE may not limit enrollment in the course solely to high school students. Sec. 2 (o)(1)
- 6.3 The COLLEGE is responsible for all courses and educational programs offered as part of CCAP Agreement regardless of whether the course and educational program is offered on site at the SCHOOL DISTRICT or at the COLLEGE.
- 6.4 The scope, nature, time, location, and listing of courses offered by a COLLEGE shall be determined by COLLEGE with the approval of the Governing Board and will be recorded in the Appendix to this Agreement. Sec. 2 (c)(1)
- 6.5 Courses offered as part of a CCAP Agreement either at the COLLEGE or SCHOOL DISTRICT shall be jointly reviewed and approved.
- 6.6 Courses offered as part of this CCAP Agreement at the SCHOOL DISTRICT shall be of the same quality and rigor as those offered on COLLEGE campus and shall be in compliance with MPCCD academic standards.
- 6.7 Courses offered as part of this CCAP Agreement at the SCHOOL DISTRICT shall be listed in the COLLEGE catalog with the same department designations, course descriptions, numbers, titles, and credits.
- 6.8 Courses offered as part of this CCAP Agreement at the SCHOOL DISTRICT shall adhere to the official course outline of record and the student learning outcomes established by the associated COLLEGE academic department.
- 6.9 Courses offered as part of this CCAP Agreement and taught by SCHOOL DISTRICT instructors are part of an approved Instructional Service Agreement as required by MPCCD Business Procedure.
- 6.10 Courses offered as part of this CCAP Agreement will comply with all applicable regulations, policies, procedures, prerequisites and standards applicable to MPCCD as well as any corresponding policies, practices, and requirements of the SCHOOL DISTRICT. In the event of a conflict between the COLLEGE course related regulations, policies, procedures, prerequisites and standards and SCHOOL DISTRICT policies, practices and requirements, the COLLEGE regulations, policies, procedures, prerequisites, and standards, shall prevail.
- 6.11 Site visits and instructor evaluations by one or more representatives of the COLLEGE and/or MPCCD shall be permitted by the SCHOOL DISTRICT to ensure that courses offered as part of this CCAP Agreement in the SCHOOL DISTRICT are the same as the courses offered on the COLLEGE campus and in compliance with MPCCD academic standards. The site visits and instructor evaluation process for any instructor who is also an employee of the SCHOOL DISTRICT will be determined and detailed in an Instructional Service Agreement to be developed in agreement between the COLLEGE and the SCHOOL DISTRICT.

Note: All referenced Sections from AB 288 (Education Code § 76004)

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- 6.12 A student's withdrawal prior to completion of a course offered as part of this CCAP Agreement shall be in accordance with MPCCD and COLLEGE guidelines, policies, pertinent statutes and regulations.
- 6.13 Supervision and evaluation of students enrolled in courses offered as part of this CCAP Agreement shall be in accordance with MPCCD guidelines, policies, pertinent statutes, and regulations.
- 6.14 COLLEGE has the sole right to control and direct the instructional activities of all instructors teaching college courses, including those who are SCHOOL DISTRICT employees.
- 6.15 Degree and Certificate programs that are included in the CCAP agreement must have been approved by the California Community College Chancellor's Office and courses that make up the programs must be part of the approved programs.
- 6.16 COLLEGE and SCHOOL DISTRICT will collaborate to identify tools and resources (ex. rubrics) that will allow SCHOOL DISTRICT to provide remedial support that will allow students to meet college level requirements for COLLEGE courses.

7. INSTRUCTOR(S)

- 7.1 All instructors teaching COLLEGE courses offered as part of this CCAP Agreement must meet the minimum qualifications for instruction in a California community college as set forth in Title 5 California Code of Regulations, Sections 53410 and 58060 or as amended.
- 7.2 The CCAP Agreement Appendix shall specify which participating SCHOOL DISTRICT or COLLEGE will be the employer of record for purposes of assignment monitoring and reporting to the county office of education. Sec. 2 (m)(1)
- 7.3 This CCAP Agreement specifies the SCHOOL DISTRICT will assume reporting responsibilities pursuant to applicable federal teacher quality mandates. Sec. 2 (m)(2)
- 7.4 COLLEGE and SCHOOL DISTRICT must individually designate an employee to coordinate efforts to comply with and carry out each entity's responsibilities under Title IX of the Education Amendments of 1972. Upon receipt of a complaint alleging harassment, discrimination or any other violation of law, including but not limited to Title IX, the designated employee from the entity receiving the complaint shall inform and provide a copy of such complaint to the designated employee from the other entity. The designated employees from the COLLEGE and SCHOOL DISTRICT shall review the facts giving rise to the complaint and determine which entity will take the lead on investigating, managing and resolving such complaint. Neither COLLEGE nor SCHOOL

Note: All referenced Sections from AB 288 (Education Code § 76004)

DISTRICT may abandon or assign their obligations under the law, including Title IX.

- 7.5 Instructors who teach COLLEGE courses offered as part of this CCAP Agreement must provide the supervision and control reasonably necessary for the protection of the health and safety of students and may not have any other assigned duty during the instructional activity.
- 7.6 Instructors who teach COLLEGE courses shall comply with the fingerprinting requirements set forth in Ed Code § 45125 and/or Education Code Section 87013 as amended and the tuberculosis testing and risk assessment requirements of California Health and Safety Code § 121525 and/or Education Code Section 87408.6 as amended. In addition to any other prohibition or provision, no person known to have been convicted of a violent or serious felony shall be eligible to teach any courses offered as part of this CCAP Agreement or otherwise provide services on a SCHOOL DISTRICT site. Instructors shall be employed in accordance with Education Code Sections 87405 et seq. when the COLLEGE is designated the employer of record.
- 7.7 Faculty will complete mandatory training as required by the employer of record.
- 7.8 Prior to teaching, faculty provided by the SCHOOL DISTRICT shall receive discipline-specific training and orientation from COLLEGE regarding, but not limited to, course curriculum, assessment criteria, pedagogy, course philosophy, testing and grading procedures record keeping, and other instructional responsibilities. Said training shall be approved by and provided by the COLLEGE.
- 7.9 Prior to teaching, faculty provided by the COLLEGE shall receive training and orientation from SCHOOL DISTRICT regarding, but not limited to, SCHOOL DISTRICT policies, practices and requirements. Said training shall be approved by and provided by the SCHOOL DISTRICT.
- 7.10 Faculty provided by the SCHOOL DISTRICT are eligible to participate in professional development activities sponsored by the COLLEGE as required by the terms and condition of the contract and shall be encouraged to participate in ongoing collegial interaction to include, but not limited address course content, course delivery, assessment, evaluation, and/or research and development in the field. Adjunct faculty are not required to participate in these activities however, they are encouraged to participate.
- 7.11 Performance of faculty members employed by the COLLEGE shall be evaluated by the COLLEGE using the existing procedures as outlined in Article 14 – Evaluation of the Agreement between Monterey Peninsula Community College District (MPCCD) and Monterey Peninsula College Teachers Association (MPCTA). In cases where a faculty member is employed by the SCHOOL

Note: All referenced Sections from AB 288 (Education Code § 76004)

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DISTRICT to teach AB288 courses, the performance expectations and evaluation process will be detailed in an Instructional Service Agreement between the COLLEGE and SCHOOL DISTRICT. The Agreement between MPCCD and the Monterey Peninsula College Teachers Association (MPCTA) is available at <http://www.mpc.edu/home/showdocument?id=5521>.

- 7.12 The COLLEGE may select instructors from SCHOOL DISTRICT personnel. SCHOOL DISTRICT personnel selected to be instructors remain employees of the SCHOOL DISTRICT, subject to the authority of the SCHOOL DISTRICT, but will also be subject to the authority of MPCCD specifically with regard to their duties as instructors of record for the college course.
- 7.13 The COLLEGE shall determine the number of instructors, the ratio of instructors to students, and the subject areas of instruction, subject to approval by MPCCD.

8. ADDITIONAL PERSONNEL AND VOLUNTEERS

- 8.1 COLLEGE and SCHOOL DISTRICT must individually designate an employee to coordinate efforts to comply with and carry out each entity’s responsibilities under Title IX of the Education Amendments of 1972. Upon receipt of a complaint alleging harassment, discrimination or any other violation of law, including but not limited to Title IX, the designated employee from the entity receiving the complaint shall inform and provide a copy of such complaint to the designated employee from the other entity. The designated employees from the COLLEGE and SCHOOL DISTRICT shall review the facts giving rise to the complaint and determine which entity will take the lead on investigating, managing and resolving such complaint. Neither COLLEGE nor SCHOOL DISTRICT may abandon or assign their obligations under the law, including Title IX.
- 8.2 Personnel (including tutors and volunteers) working with students shall comply with the fingerprinting requirements set forth in Ed Code § 45125 or as amended and the tuberculosis testing and risk assessment requirements of California Health and Safety Code § 121525 or as amended. In addition to any other prohibition or provision, no person known to have been convicted of a violent or serious felony shall be eligible to provide services on a SCHOOL DISTRICT site offered as part of this CCAP Agreement.
- 8.3 Personnel and volunteers will complete mandatory training as required by the employer of record.

Note: All referenced Sections from AB 288 (Education Code § 76004)

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9. ASSESSMENT OF LEARNING AND CONDUCT

- 9.1 Students enrolled in COLLEGE courses offered as part of this CCAP Agreement at the SCHOOL DISTRICT shall be held to the same standards of achievement as students in courses taught on the COLLEGE campus.
- 9.2 Students enrolled in COLLEGE courses offered as part of this CCAP Agreement at the SCHOOL DISTRICT shall be held to the same grading standards as those expected of students in courses taught on the COLLEGE campus.
- 9.3 Students enrolled in COLLEGE courses offered as part of this CCAP Agreement at the SCHOOL DISTRICT shall be assessed using the same methods (e.g., papers, portfolios, quizzes, labs, etc.) as students in courses taught on the COLLEGE campus.
- 9.4 Students enrolled in COLLEGE courses offered as part of this CCAP Agreement at the SCHOOL DISTRICT shall be held to the same behavioral standards as those expected of students in courses taught on the COLLEGE campus.

10. LIAISON AND COORDINATION OF RESPONSIBILITIES

- 10.1 The COLLEGE shall appoint an educational administrator, to be specified in the Appendix to this CCAP Agreement, who will serve as point of contact to facilitate coordination and cooperation between COLLEGE and SCHOOL DISTRICT in conformity with MPCCD policies and standards. Sec. 2 (c)(2)
- 10.2 The SCHOOL DISTRICT shall appoint an educational administrator, to be specified in the Appendix to this CCAP Agreement, who will serve as point of contact to facilitate coordination and cooperation between SCHOOL DISTRICT and COLLEGE in conformity with SCHOOL DISTRICT policies and standards. Sec. 2 (c)(2)
- 10.3 The COLLEGE will provide SCHOOL DISTRICT personnel with reasonable assistance, direction and instruction in how to fulfill their responsibilities under this CCAP Agreement, including conducting appropriate student assessments, outreach/recruitment activities and compliance with MPCCD policy and COLLEGE procedures and academic standards.
- 10.4 The SCHOOL DISTRICT shall provide personnel to perform clerical services and services associated with student outreach and recruitment activities, student assessment and college applications, the enrollment of eligible students and other related services as deemed necessary.

Note: All referenced Sections from AB 288 (Education Code § 76004)

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- 10.5 The SCHOOL DISTRICT's personnel will perform services specified in 9.4 as part of their regular assignment. SCHOOL DISTRICT personnel performing these services will be employees of SCHOOL DISTRICT, subject to the authority of SCHOOL DISTRICT, but will also be subject to the direction of COLLEGE, specifically with regard to their duties pertaining to the COLLEGE courses.
- 10.6 This CCAP Agreement requires an annual report as specified in the Appendix, to the office of the Chancellor of the California Community Colleges by each participating COLLEGE and SCHOOL DISTRICT on all the following information: Sec. 2 (t)(1)(A-D)
 - The total number of high school students by school site enrolled in each partnership, aggregated by gender and ethnicity, and reported in compliance with all applicable state and federal privacy laws. Sec. 2 (t)(1)(A)
 - The total number of community college courses by course category and type and by school site enrolled in by CCAP partnership participants. Sec. 2 (t)(1)(B)
 - The total number and percentage of successful course completions, by course category and type and by school site, of CCAP partnership participants. Sec. 2 (t)(C)
 - The total number of full-time equivalent students generated by CCAP partnership community college district participants. Sec. 2 (t)(1)(D)

11. APPORTIONMENT

- 11.1 MPCCD shall include the students enrolled in a CCAP Agreement course in its report of full-time equivalent students (FTES) for purposes of receiving state apportionments when the course(s) complies with current requirements for dual enrollment under applicable California law.
- 11.2 For purposes of allowances and apportionments from Section B of the State School Fund, a community college district conducting a closed course on a high school campus shall be credited with those units of full-time equivalent students attributable to the attendance of eligible high school pupils. Sec. 2 (o)(2)
- 11.3 MPCCD shall not receive a state allowance or apportionment for an instructional activity for which the partnering SCHOOL DISTRICT has been, or shall be, paid an allowance or apportionment. Sec. 2 (r)
- 11.4 The attendance of a high school pupil at a community college as a special part-time or full-time student pursuant to this section is authorized attendance for which the community college shall be credited or reimbursed pursuant to Section

Note: All referenced Sections from AB 288 (Education Code § 76004)

48802 or 76002, provided that no school district has received reimbursement for the same instructional activity. Sec. 2 (s)

12. CERTIFICATIONS

- 12.1 The SCHOOL DISTRICT certifies that the direct education costs of the courses offered as part of this CCAP Agreement are not being fully funded through other sources.
- 12.2 MPCCD certifies that it has not received full compensation for the direct education costs for the conduct of the courses offered as part of this CCAP Agreement from other sources.
- 12.3 The SCHOOL DISTRICT agrees and acknowledges that MPCCD will claim apportionment for the SCHOOL DISTRICT students enrolled in community college course(s) under this CCAP Agreement.
- 12.4 This CCAP Agreement certifies that any COLLEGE instructor teaching a course on a SCHOOL DISTRICT campus has not been convicted of any sex offense as defined in Ed Code § 87010 or as amended, or any controlled substance offense as defined in Ed Code § 87011 or as amended. Sec. 2 (h)
- 12.5 This CCAP Agreement certifies that any community college instructor teaching a course at the partnering high school campus has not displaced or resulted in the termination of an existing high school teacher teaching the same course on that high school campus. Sec. 2 (i)
- 12.6 This CCAP Agreement certifies that a qualified high school teacher teaching a course offered for college credit at a high school campus has not displaced or resulted in the termination of an existing community college faculty member teaching the same course at the partnering community college campus. Sec. 2 (j)
- 12.7 The COLLEGE certifies that:
 - A community college course offered for college credit at the participating SCHOOL DISTRICT does not reduce access to the same course offered at the partnering COLLEGE. Sec. 2 (k)(1)
 - A community college course that is oversubscribed or has a waiting list shall not be offered or included in this Agreement. Sec. 2 (k)(2)
 - The Agreement is consistent with the core mission of the COLLEGE pursuant to Section 66010.4, and that students participating in this Agreement will not lead displacement of otherwise eligible adults at the COLLEGE. Sec. 2 (k)(3)

Note: All referenced Sections from AB 288 (Education Code § 76004)

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12.8 This Agreement certifies that the SCHOOL DISTRICT and COLLEGE comply with local collective bargaining agreements and all state and federal reporting requirements regarding the qualifications of the teacher or faculty member teaching a CCAP Agreement course offered for high school credit. Sec. 2 (l)

13. PROGRAM IMPROVEMENT

13.1 The COLLEGE and the SCHOOL DISTRICT may annually conduct surveys of participating SCHOOL DISTRICT pupils, instructors, principals, and guidance counselors for the purpose of informing practice, making adjustments, and improving the quality of courses offered as part of this CCAP Agreement.

14. RECORDS

14.1 Permanent records of student attendance, grades and achievement will be maintained by SCHOOL DISTRICT for SCHOOL DISTRICT students who enroll in a course(s) offered as part of this CCAP Agreement. Permanent records of student enrollment, grades and achievement for COLLEGE students shall be maintained by COLLEGE.

14.2 Each party shall maintain records pertaining to this CCAP Agreement as may be required by federal and state law. Each party may review and obtain a copy of the other party's pertinent records subject to federal and state privacy statutes.

15. REIMBURSEMENT

15.1 Upon approval of the CCAP Agreement by both boards, the COLLEGE and SCHOOL DISTRICT will sign an Instructional Service Agreement to formalize staff teaching assignments and reimbursement schedules.

16. FACILITIES

16.1 The SCHOOL DISTRICT will provide adequate classroom space at its facilities, or other mutually agreed upon location, to conduct the instruction and do so without charge to MPCCD or students. SCHOOL DISTRICT agrees to clean, maintain, and safeguard SCHOOL DISTRICT's premises. SCHOOL DISTRICT warrants that its facilities are safe and compliant with all applicable building, fire, and safety codes.

16.2 The SCHOOL DISTRICT will furnish, at its own expense, all course materials, specialized equipment, books and other necessary equipment for all SCHOOL DISTRICT students. The parties understand that such equipment and materials are SCHOOL DISTRICT's sole property. The instructor shall determine the type, make, and model of all equipment, books and materials to be used during each course offered as part of this CCAP Agreement. SCHOOL DISTRICT understands that no equipment or materials fee may be charged to students except as may be provided for by Education Code 49011.

Note: All referenced Sections from AB 288 (Education Code § 76004)

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- 16.3 The COLLEGE facilities may be used subject to mutually agreement by the parties as expressed in the Appendix to this Agreement.

17. INDEMNIFICATION

- 17.1 The SCHOOL DISTRICT agrees to and shall indemnify, save and hold harmless the COLLEGE and MPCCD and its governing board, officers, employees, administrators, independent contractors, subcontractors, agents and other representatives from any and all claims, demands, liabilities, costs, expenses, damages, causes of action, losses, and judgments, arising out of SCHOOL DISTRICT's performance of this Agreement. The obligation to indemnify shall extend to all claims and losses that arise from the negligence of the SCHOOL DISTRICT, its officers, employees, independent contractors, subcontractors, agents and other representatives.
- 17.2 The MPCCD agrees to and shall indemnify, save and hold harmless the SCHOOL DISTRICT and its governing board, officers, employees, administrators, independent contractors, subcontractors, agents and other representatives from any and all claims, demands, liabilities, costs, expenses, damages, causes of action, losses, and judgments, arising out of MPCCD and COLLEGE'S performance of this Agreement. The obligation to indemnify shall extend to all claims and losses that arise from the negligence of the MPCCD and COLLEGE its officers, employees, independent contractors, subcontractors, agents and other representatives.

18. INSURANCE

- 18.1 The SCHOOL DISTRICT, in order to protect the MPCCD, its agents, employees and officers against claims and liability for death, injury, loss and damage arising out of or in any manner connected with the performance and operation of the terms of this agreement, shall secure and maintain in force during the entire term of this agreement, insurance coverage or an approved program of self-insurance in the amount of not less than ONE MILLION DOLLARS (\$1,000,000) per incident, and property damage insurance of not less than ONE HUNDRED THOUSAND DOLLARS (\$100,000) per accident with an admitted California insurer duly licensed to engage in the business of insurance in the State of California, or public entity risk management Joint Powers Authority, authorized to provide public liability and property damage insurance in the state of California. Said policy of insurance, insurance coverage through a public entity risk management JPA or program of self-insurance shall expressly name the COLLEGE and MPCCD, its agents, employees and officers as an additional insured for the purposes of this Agreement. A certificate of insurance including such endorsement shall be furnished to the COLLEGE and to MPCCD.

Note: All referenced Sections from AB 288 (Education Code § 76004)

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18.2 For the purpose of Workers' Compensation, SCHOOL DISTRICT shall be the "primary employer" for all its personnel who perform services as instructors and support staff. SCHOOL DISTRICT shall be solely responsible for processing, investigating, defending, and paying all workers' compensation claims by their respective SCHOOL DISTRICT personnel made in connection with performing services and receiving instruction under this Agreement. SCHOOL DISTRICT agrees to hold harmless, indemnify, and defend COLLEGE and MPCCD, its directors, officers, agents, and employees from any liability resulting from its failure to process, investigate, defend, or pay any workers' compensation claims by SCHOOL DISTRICT personnel connected with providing services under this Agreement. SCHOOL DISTRICT is not responsible for non-School District personnel who may serve as instructors or students who are not affiliated with the SCHOOL DISTRICT.

19. NON-DISCRIMINATION

19.1 Neither the SCHOOL DISTRICT nor the COLLEGE and MPCCD shall discriminate on the basis of race or ethnicity, gender, nationality, physical or mental disability, sexual orientation, religion, or any other protected class under California State or federal law.

20. TERMINATION

20.1 Either party may terminate this Agreement by giving written notice specifying the effective date and scope of such termination. The termination notice must be presented by January 15 for the following fall semester and by September 1 for the following spring semester. Written notice of termination of this Agreement shall be addressed to the responsible person listed in Section 21 below.

21. NOTICES

21.1 Any and all notices required to be given hereunder shall be deemed given when personally delivered or deposited in the U.S. Mail, postage to be prepaid, to the following addresses:

COLLEGE
 Monterey Peninsula College
 980 Fremont Street
 Monterey, CA 93940
 Attn: Laurence E. Walker - Vice President of Student Services

SCHOOL DISTRICT
 Pacific Grove Unified School District
 435 Hillcrest Ave.
 Pacific Grove, CA 93950
 Attn: Shane Steinback, Pacific Grove High School Assistant Principal

Note: All referenced Sections from AB 288 (Education Code § 76004)

22. INTEGRATION

22.1 This CCAP Agreement sets forth the entire agreement between the Parties relating to the subject matter of this CCAP Agreement. All agreements or representations, express or implied, oral or written, of the Parties with regard to the subject matter hereof are incorporated into this Agreement.

23. MODIFICATION AND AMENDMENT

23.1 No modifications or amendments of any of the terms or provisions of this CCAP Agreement shall be binding unless made in writing and signed by the Parties.

24. GOVERNING LAWS

24.1 This agreement shall be interpreted according to the laws of the State of California.

25. COMMUNITY COLLEGE DISTRICT BOUNDARIES

25.1 For locations outside the geographical boundaries of MPCCD, COLLEGE will comply with the requirements of Title 5 of the California Code of Regulations, Sections 53000 et seq. or as amended, concerning approval by adjoining high school or community college districts and use of non-district facilities.

26. SEVERABILITY

26.1 This CCAP Agreement shall be considered severable, such that if any provision or part of the CCAP Agreement is ever held invalid under any law or ruling, that provision or part of the CCAP Agreement shall remain in force and effect to the extent allowed by law, and all other provisions or parts shall remain in full force and effect.

27. COUNTERPARTS

27.1 This CCAP Agreement may be executed by the parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

Executed on __February 2021

By: 
SCHOOL DISTRICT

By: 
COLLEGE

By: 
Monterey Peninsula COMMUNITY COLLEGE DISTRICT

Note: All referenced Sections from AB 288 (Education Code § 76004)

APPENDIX

**COLLEGE AND CAREER ACCESS PATHWAYS (CCAP)
A DUAL ENROLLMENT PARTNERSHIP AGREEMENT**

WHEREAS, the College and Career Access Pathways Partnership Agreement (CCAP Agreement) is between Monterey Peninsula College (“COLLEGE”) a college of the Monterey Peninsula Community College District (MPCCD), 980 Fremont Street, Monterey, CA 93940 and Pacific Grove Unified School District (SCHOOL DISTRICT.”)

WHEREAS, the COLLEGE and the SCHOOL DISTRICT agree to record COLLEGE and SCHOOL DISTRICT specific components of the CCAP Agreement using the Appendix for purposes of addressing mandated reporting requirements to include, but not limited to, the total number of high school students to be served and the total number of full-time equivalent students projected to be claimed by the community college district for those students; the scope, nature, time, location, and listing of community college courses to be offered; and criteria to assess the ability of pupils to benefit from those courses; and Sec. 2 (c)(1)

WHEREAS, the CCAP Agreement Appendix shall also be used to record protocols for information sharing in compliance with all applicable state and federal privacy laws, joint facilities use, and parental consent for high school pupils to enroll in community college courses; and Sec. 2 (c)(1)

WHEREAS, participation in the CCAP Agreement is consistent with the core mission of the community colleges pursuant to Section 66010.4, and that pupils participating in a CCAP Agreement will not lead to enrollment displacement of otherwise eligible adults in the community college; Sec. 2 (k)(3)

NOW THEREFORE, MPCCD and SCHOOL DISTRICT agree as follows:

1. CCAP AGREEMENT

- a. COLLEGE and SCHOOL DISTRICT shall ensure that two public (informational and adoption) meetings are held in the review and approval of this CCAP Agreement. Sec. 2 (b)
- b. COLLEGE shall file this CCAP Agreement with the office of the Chancellor of the California community colleges prior to the start of the partnership. Sec. 2 (c)(2)
- c. COLLEGE and SCHOOL DISTRICT shall review and establish new or amended CCAP Agreements annually on or before **June 30** and follow the protocols set forth in (a) and (b) of this section.
- d. MPCCD, COLLEGE and SCHOOL DISTRICT point of contact: Sec. 2 (c)(2)

Note: All referenced Sections from AB 288 (Education Code § 76004)

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LOCATION	NAME	TELEPHONE	EMAIL
MPCCD:	Laurence E. Walker, Vice-President of Student Services	(831) 646-4191	lwalker@mpc.edu
School District:	Shane Steinback, Pacific Grove High School Assistant Principal	(831) 646-6590 ext. 274	steinback@pgusd.org

2. STUDENT SELECTION

- a. Minimum School Day - The SCHOOL DISTRICT shall certify that it shall teach SCHOOL DISTRICT students participating as part of a CCAP Agreement no less than the number of instructional minutes required to complete a minimum school day pursuant to Education Code §§ 46141 and 46142. In all circumstances the COLLEGE shall claim allowable FTES for the enrollment of high school students in a CCAP Agreement community college course.
- b. SCHOOL DISTRICT shall select students consistent with the intent of AB 288 to include: high school students “who may not already be college bound or who are underrepresented in higher education with the goal of developing seamless pathways from high school to community college for career technical education or preparation for transfer improving high school graduation rates, and assisting high school pupils to achieve college and career readiness” *Sec. 2 (a)* and “underachieving students, those from groups underrepresented in postsecondary education, those who are seeking advanced studies while in high school, and those seeking a career technical education credential or certificate.” *Sec. 1 (d)*
- c. COLLEGE and SCHOOL DISTRICT shall certify that participating students will have a signed parental consent form on file with the COLLEGE. *Preamble and Sec. 2 (c)(1)*
- d. COLLEGE and SCHOOL DISTRICT shall certify that participating students may enroll in up to a maximum of 15 unit load per term, the units may not constitute more than four courses per term, the units are part of an academic (educational) program identified as part of this CCAP Agreement and the units are part of an academic (educational) program designed to award students both a high school diploma and an associate degree or a certificate or credential. *Sec. 2 (p)(1-3)*

3. CCAP AGREEMENT EDUCATIONAL PROGRAM(S) AND COURSE(S)

- a. COLLEGE is responsible for all educational program(s) and course(s) and offered as part of this CCAP Agreement whether the educational program(s) and course(s) are offered at the SCHOOL DISTRICT or the COLLEGE.

Note: All referenced Sections from AB 288 (Education Code § 76004)

4. **CCAP AGREEMENT PROGRAM YEAR FALL 2021 - COLLEGE** has identified the following: program year, educational program(s) and course(s) to be offered at the said date, time and location; the total number of students to be served and projected FTES; and the instructor and employer of record.

PROGRAM YEAR: 2021-2022 COLLEGE: Monterey Peninsula College

SCHOOL DISTRICT: Pacific Grove Unified School District



A. 1 HIGH SCHOOL: Pacific Grove High School **EDUCATIONAL PROGRAM:** Art Photography

TOTAL NUMBER OF STUDENTS TO BE SERVED: 30	TOTAL PROJECTED FTES: 3
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COURSE NAME	COURSE NUMBER	UNITS	TERM	TIME	DAYS/HOURS	INSTRUCTOR	EMPLOYER OF RECORD	LOCATION
Digital Photography	ARPT 12A	3	Fall	TBD	TBD	PGUSD Staff	<input type="checkbox"/> CC <input checked="" type="checkbox"/> HS	<input type="checkbox"/> CC <input checked="" type="checkbox"/> HS
Photography I: Black and White	ARTP 11A	3	Spring	TBD	TBD	PGUSD Staff	<input type="checkbox"/> CC <input checked="" type="checkbox"/> HS	<input type="checkbox"/> CC <input checked="" type="checkbox"/> HS

Required: Describe the criteria used to assess the ability of pupils to benefit from the course(s) offered (*Sec. 2 (c)(1)*):

In consultation with their SCHOOL DISTRICT counselors, students self-select a pathway based on their academic readiness and alignment of course content to students' educational and career goals. As Pacific Grove High moves toward an Early College High School, the goal is that all students will have completed at least four college courses by the time they graduate from high school. A further goal is that students who choose can graduate from high school having also earned a Certificate of Training and be well on their way toward completion of an Associate Degree. SCHOOL DISTRICT and COLLEGE faculty identified CCAP courses to align with high school pathways and college programs of study and for the potential for course completion to accelerate students' time to completion of a postsecondary degree or certificate.

Note: All referenced Sections from AB 288 (Education Code § 76004)

A. 2 BOOKS AND INSTRUCTIONAL MATERIALS - The total cost of books and instructional materials for school district students participating as part of this CCAP agreement will be borne by school district.

COURSE NAME	TEXT	COST	OTHER INSTRUCTIONAL MATERIALS	COST
Digital Photography	No textbook required	\$0.00		
Photography I: Black and White	No textbook required	\$0.00		

B. 1 HIGH SCHOOL: Pacific Grove High School **EDUCATIONAL PROGRAM:** Computer Science

TOTAL NUMBER OF STUDENTS TO BE SERVED: 60	TOTAL PROJECTED FTES: 6
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COURSE NAME	COURSE NUMBER	UNITS	TERM	TIME	DAYS/HOURS	INSTRUCTOR	EMPLOYER OF RECORD	LOCATION
Programming Fundamentals: Python	CSIS 9	3	Fall	TBD	TBD	PGUSD Staff	<input type="checkbox"/> CC <input checked="" type="checkbox"/> HS	<input type="checkbox"/> CC <input checked="" type="checkbox"/> HS
Programming Method 1: Java	CSIS 10	3	Spring	TBD	TBD	PGUSD Staff	<input type="checkbox"/> CC <input checked="" type="checkbox"/> HS	<input type="checkbox"/> CC <input checked="" type="checkbox"/> HS

Required: Describe the criteria used to assess the ability of pupils to benefit from the course(s) offered (*Sec. 2 (c)(1)*):

In consultation with their SCHOOL DISTRICT counselors, students self-select a pathway based on their academic readiness and alignment of course content to students’ educational and career goals. As Pacific Grove High moves toward an Early College High School, the goal is that all students will have completed at least four college courses by the time they graduate from high school. A further goal is that students who choose can graduate from high school having also earned a Certificate of Training and be well on their way toward completion of an Associate Degree. SCHOOL DISTRICT and COLLEGE faculty identified CCAP courses to align with high school pathways and college programs of study and for the potential for course completion to accelerate students’ time to completion of a postsecondary degree or certificate.

Note: All referenced Sections from AB 288 (Education Code § 76004)

B. 2 BOOKS AND INSTRUCTIONAL MATERIALS - The total cost of books and instructional materials for school district students participating as part of this CCAP agreement will be borne by school district.

COURSE NAME	TEXT	COST	OTHER INSTRUCTIONAL MATERIALS	COST
CSIS 9- Programming Fundamentals - Python	How to Think Like a Computer Scientist: Interactive Edition (Using Python 3.x)	Free online		
	Python for Informatics: Exploring Information	\$0.00		
	Eloquent JavaScript A Modern Introduction to Programming			
CSIS 10A Programming Methods I ; JAVA	<u>Think Java</u> by Allen Downey and <u>Introduction to Programming Using Java</u> by David Eck	Free online \$0.00		

C. 1 HIGH SCHOOL: Pacific Grove High School

EDUCATIONAL PROGRAM: Sustainable Culinary Arts

TOTAL NUMBER OF STUDENTS TO BE SERVED: 65	TOTAL PROJECTED FTES: 13
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COURSE NAME	COURSE NUMBER	UNITS	TERM	TIME	DAYS/HOURS	INSTRUCTOR	EMPLOYER OF RECORD	LOCATION
Catering	HOSP 20	2	Spring	TBD	TBD	PGUSD Staff	<input type="checkbox"/> CC <input checked="" type="checkbox"/> HS	<input type="checkbox"/> CC <input checked="" type="checkbox"/> HS
Urban Agriculture Culinary Arts	HOSP 21	1.5	Fall	TBD	TBD	PGUSD Staff	<input type="checkbox"/> CC <input checked="" type="checkbox"/> HS	<input type="checkbox"/> CC <input checked="" type="checkbox"/> HS
Culinary Foundations of Professional Cooking 1	HOSP 23	3	Fall	TBD	TBD	PGUSD Staff	<input type="checkbox"/> CC <input checked="" type="checkbox"/> HS	<input type="checkbox"/> CC <input checked="" type="checkbox"/> HS
Practices in Hospitality	HOSP 66	1	Fall/ Spring	TBD	TBD	PGUSD Staff	<input type="checkbox"/> CC <input checked="" type="checkbox"/> HS	<input type="checkbox"/> CC <input checked="" type="checkbox"/> HS

Note: All referenced Sections from AB 288 (Education Code § 76004)

Bakeshop: Yeasted and Non-Yeasted Breads	HOSP 77	0.5	Fall	TBD	TBD	PGUSD Staff	<input type="checkbox"/> CC <input checked="" type="checkbox"/> HS	<input type="checkbox"/> CC <input checked="" type="checkbox"/> HS
Bakeshop: Basic Baking Techniques	HOSP 78	1	Spring	TBD	TBD	PGUSD Staff	<input type="checkbox"/> CC <input checked="" type="checkbox"/> HS	<input type="checkbox"/> CC <input checked="" type="checkbox"/> HS
Pies and Tarts	HOSP 81	0.5	Fall	TBD	TBD	PGUSD Staff	<input type="checkbox"/> CC <input checked="" type="checkbox"/> HS	<input type="checkbox"/> CC <input checked="" type="checkbox"/> HS
Bakeshop: Cakes, Tortes and Decorating Techniques	HOSP 82	1	Spring	TBD	TBD	PGUSD Staff	<input type="checkbox"/> CC <input checked="" type="checkbox"/> HS	<input type="checkbox"/> CC <input checked="" type="checkbox"/> HS
French Pastries and Restaurant Style Desserts	HOSP 83	0.5	Spring	TBD	TBD	PGUSD Staff	<input type="checkbox"/> CC <input checked="" type="checkbox"/> HS	<input type="checkbox"/> CC <input checked="" type="checkbox"/> HS
Work Experience	COOP 91.21	1-2	Spring	TBD	TBD	PGUSD Staff	<input type="checkbox"/> CC <input checked="" type="checkbox"/> HS	<input type="checkbox"/> CC <input checked="" type="checkbox"/> HS

Required: Describe the criteria used to assess the ability of pupils to benefit from the course(s) offered (*Sec. 2 (c)(1)*):

In consultation with their SCHOOL DISTRICT counselors, students self-select a pathway based on their academic readiness and alignment of course content to students’ educational and career goals. The goal is that students who choose to do so can graduate from high school having earned Certificate of Training, be eligible to enter the workforce in their selected career pathway, and/or be well on their way toward completion of an Associate Degree. SCHOOL DISTRICT and COLLEGE faculty identified CCAP courses to align with high school pathways and college programs of study and for the potential for course completion to accelerate students’ time to completion of a postsecondary degree or certificate.

C. 2 BOOKS AND INSTRUCTIONAL MATERIALS - The total cost of books and instructional materials for school district students participating as part of this CCAP agreement will be borne by school district.

COURSE NAME	TEXT	COST	OTHER INSTRUCTIONAL MATERIALS	COST
HOSP 20 Catering	None		None	
HOSP 21 Urban Agriculture Culinary Arts	None		None	
HOSP 23: Culinary Foundations of Professional	Professional Chef (Study Guide) Author: Culinary Inst of America		Material Fees	\$80.00

Note: All referenced Sections from AB 288 (Education Code § 76004)

<p>Cooking 1</p>	<p>Edition: 9th ISBN: 9781118139882 Copyright Year: 2011 Publisher: John Wiley & Sons, Incorporated</p> <p>Professional Chef Author: Culinary Inst of America Edition: 9th ISBN: 9780470421352 Copyright Year: 2011 Publisher: John Wiley & Sons, Incorporated</p>			
<p>HOSP 66 Practices in Hospitality</p>	<p>None</p>		<p>None</p>	
<p>HOSP 77 Bakeshop: Yeasted and Non-Yeasted Breads</p>	<p>None</p>		<p>Materials Fee</p>	<p>\$20</p>
<p>HOSP 78 Bakeshop: Basic Baking Techniques</p>	<p>None</p>		<p>Materials Fee</p>	<p>\$20</p>
<p>HOSP 81 Pies and Tarts</p>	<p>None</p>		<p>Materials Fee</p>	<p>\$10</p>
<p>HOSP 82 Bakeshop: Cakes, Tortes and Decorating Techniques</p>	<p>None</p>		<p>Materials Fee</p>	<p>\$20</p>
<p>HOSP 83 French Pastries and Restaurant Style Desserts</p>	<p>None</p>		<p>Materials Fee</p>	<p>\$10</p>
<p>COOP 91.21 Work Experience</p>				

Note: All referenced Sections from AB 288 (Education Code § 76004)

D. 1 HIGH SCHOOL: Pacific Grove High School, Pacific Grove Adult School, And Pacific Grove Community High School **EDUCATIONAL PROGRAM:** Personal Development

TOTAL NUMBER OF STUDENTS TO BE SERVED: 15	TOTAL PROJECTED FTES: 1.5
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COURSE NAME	COURSE NUMBER	UNITS	TERM	TIME	DAYS/HOURS	INSTRUCTOR	EMPLOYER OF RECORD	LOCATION
Introduction to College Success	PERS 10	1	Fall/Spring	TBD	TBD	MPC Staff	[X] CC <input type="checkbox"/> HS	[X] CC <input type="checkbox"/> HS
Study Skills for Success	PERS 59	1	Fall/Spring	TBD	TBD	MPC Staff	[X] CC <input type="checkbox"/> HS	[X] CC <input type="checkbox"/> HS
Foundations of Career Choice	PERS 71	1	Fall/Spring	TBD	TBD	MPC Staff	[X] CC <input type="checkbox"/> HS	[X] CC <input type="checkbox"/> HS

Required: Describe the criteria used to assess the ability of pupils to benefit from the course(s) offered (*Sec. 2 (c)(1)*):

In consultation with their SCHOOL DISTRICT counselors, students self-select a pathway based on their academic readiness and alignment of course content to students’ educational and career goals. The goal is that students who choose to do so can graduate from high school having earned Certificate of Training, be eligible to enter the workforce in their selected career pathway, and/or be well on their way toward completion of an Associate Degree. SCHOOL DISTRICT and COLLEGE faculty identified CCAP courses to align with high school pathways and college programs of study and for the potential for course completion to accelerate students’ time to completion of a postsecondary degree or certificate.

D. 2 BOOKS AND INSTRUCTIONAL MATERIALS - The total cost of books and instructional materials for school district students participating as part of this CCAP agreement will be borne by school district.

COURSE NAME	TEXT	COST	OTHER INSTRUCTIONAL MATERIALS	COST
PERS 10: Introduction to College Success	Open source provided by the instructor	\$0		

Note: All referenced Sections from AB 288 (Education Code § 76004)

PERS 59: Study Skills for Success	Open source provided by the instructor	\$0		
PERS 71: Foundations of Career Choice	Open source provided by the instructor	\$0		

**E. 1 HIGH SCHOOL: Pacific Grove High School, Pacific Grove Adult School, EDUCATIONAL PROGRAM: Early Childhood Education
And Pacific Grove Community High School**

TOTAL NUMBER OF STUDENTS TO BE SERVED: 15	TOTAL PROJECTED FTES: 1.5
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COURSE NAME	COURSE NUMBER	UNITS	TERM	TIME	DAYS/HOURS	INSTRUCTOR	EMPLOYER OF RECORD	LOCATION
Child Growth and Development	ECED 1	3	Spring	TBD	TBD	MPC Staff	<input checked="" type="checkbox"/> CC <input type="checkbox"/> HS	<input checked="" type="checkbox"/> CC <input type="checkbox"/> HS
Child, Family, and Community	ECED 55	3	Fall	TBD	TBD	MPC Staff	<input checked="" type="checkbox"/> CC <input type="checkbox"/> HS	<input checked="" type="checkbox"/> CC <input type="checkbox"/> HS
Teaching in a Diverse Society	ECED 56	3	Fall	TBD	TBD	MPC Staff	<input checked="" type="checkbox"/> CC <input type="checkbox"/> HS	<input checked="" type="checkbox"/> CC <input type="checkbox"/> HS
Health	ECED 61	3	Spring	TBD	TBD	MPC Staff	<input checked="" type="checkbox"/> CC <input type="checkbox"/> HS	<input checked="" type="checkbox"/> CC <input type="checkbox"/> HS

Required: Describe the criteria used to assess the ability of pupils to benefit from the course(s) offered (*Sec. 2 (c)(1)*):

In consultation with their SCHOOL DISTRICT counselors, students self-select a pathway based on their academic readiness and alignment of course content to students’ educational and career goals. The goal is that students who choose to do so can graduate from high school having earned Certificate of Training, be eligible to enter the workforce in their selected career pathway, and/or be well on their way toward completion of an Associate Degree. SCHOOL DISTRICT and COLLEGE faculty identified CCAP courses to align with high school pathways and college programs of study and for the potential for course completion to accelerate students’ time to completion of a postsecondary degree or certificate.

Note: All referenced Sections from AB 288 (Education Code § 76004)

E. 2 BOOKS AND INSTRUCTIONAL MATERIALS - The total cost of books and instructional materials for school district students participating as part of this CCAP agreement will be borne by school district.

COURSE NAME	TEXT	COST	OTHER INSTRUCTIONAL MATERIALS	COST
ECED 1 Child Growth and Development	Martorell, G (2013). Child,From Birth to Adolescence.New York, NY: McGraw-Hill Companies,Inc.	No cost already purchased \$109		
ECED 55 Child, Family, and Community	Berns, R.M., (2016). Child, Family, School, Community Socialization and Support (10 th Edition), Cengage Learning	No cost already purchased \$80		
ECED 56 Teaching in a Diverse Society	Knowing and Serving Diverse Families; Hildebrand, V., Phenice, L. A., Gray, M. M., Hines, R. P., 3rd ed., 2007	\$143		
ECED 61 Health, Safety, and Nutrition for young children	Health, safety, and nutrition for the young child, Marotz, L. R.;2014; 9th ed.	\$199		

Note: All referenced Sections from AB 288 (Education Code § 76004)

5. MANDATED ANNUAL STATE REPORTING

- a. COLLEGE and SCHOOL DISTRICT shall ensure accurate and timely reporting of the total number of full-time equivalent students generated by CCAP partnership community college district participants.
- b. COLLEGE and SCHOOL DISTRICT shall report the annual total number of unduplicated high school student headcount by school site enrolled in each CCAP Agreement are aggregated by gender and ethnicity and reconciled on or before June 30 and shall be reported annually in compliance with all applicable state and federal privacy laws. The MPCCD shall annually report the student data to the office of the Chancellor of the California Community Colleges. *Sec. 2 (t) (1)(A)*
- c. COLLEGE and SCHOOL DISTRICT shall report the annual total number of community college courses by category and type and by school site enrolled in by this CCAP Agreement. *Sec. 2 (t) (1)(B)*
- d. COLLEGE and SCHOOL DISTRICT shall report the annual total number of the unduplicated high school student headcount and the percentage of successful course completions, by course category and type and by school site. *Sec. 2 (t)(1)(C)*
- e. COLLEGE and SCHOOL DISTRICT shall report the annual total number of full-time equivalent students generated by this CCAP Agreement. *Sec. 2 (t)(1)(D)*
- f. COLLEGE and SCHOOL DISTRICT shall ensure that the point of contact for each site establish protocols for the collection and dissemination of participating student data each semester within 30 days of the end of the term.

6. CCAP AGREEMENT DATA MATCH AND REPORTING

- a. COLLEGE and SCHOOL DISTRICT shall ensure operational protocols consistent with the collection of participating student data and the timely submission of the data.
- b. COLLEGE shall report all program and participating student data to the office of the Chancellor of the California Community Colleges.

7. PRIVACY OF STUDENT RECORDS

Note: All referenced Sections from AB 288 (Education Code § 76004)

- a. COLLEGE and SCHOOL DISTRICT understand and agree that education records of students enrolled in the CCAP course and personally identifiable information contained in those educational records are subject to the Family Educational Rights and Privacy Act (FERPA) 20 U.S.C. § 1232g; 34 C.F.R. Part 99, including the disclosure provisions of § 99.30 and state law as set forth in Education Code §§ 49064 and 49076). COLLEGE and SCHOOL DISTRICT agree to hold all student education records generated pursuant to this CCAP Agreement in strict confidence, and further agrees not to re-disclose such records except as authorized by applicable law or regulation or by the parent or guardian’s prior written consent. (34 C.F.R. § 99.33 (a), (b); 34 C.F.R. § 99.34(b) and Education Code §§ 49064 and 49076.)
- b. Limitation on Use. COLLEGE and SCHOOL DISTRICT shall use each student education record that he or she may receive pursuant to this CCAP Agreement solely for a purpose(s) consistent with his or her authority to access that information pursuant to Federal and State law, as may be as applicable. (34 C.F.R. § 99.31, 34 C.F.R. § 99.34, and Education Code § 49076.)
- c. Recordkeeping Requirements. COLLEGE and SCHOOL DISTRICT shall comply with the requirements governing maintenance of records of each request for access to and each disclosure of, student education records set forth under Title 34, Code of Federal Regulations § 99.32 and under Education Code § 49064 as applicable.
- d. Acknowledgement of Receipt of Notice of FERPA Regulations. By signature of its authorized representative or agent on this Agreement, COLLEGE and SCHOOL DISTRICT hereby acknowledges that it has been provided with the notice required under 34 C.F.R. § 99.33(d) that it is strictly prohibited from re-disclosing student education records to any other person or entity except as authorized by applicable law or regulation or by the parent or guardian’s prior written consent.

8. FACILITIES USE

- a. COLLEGE and SCHOOL DISTRICT shall adhere to the terms outlined in Section 15, Facilities, of this CCAP Agreement.
- b. COLLEGE, as part of Section 15.3 of this CCAP Agreement, shall extend access and use of the following COLLEGE facilities:

BUILDING	CLASSROOM	DAYS	HOURS
Pacific Grove High School	TBD	TBD	TBD
Pacific Grove High School	TBD	TBD	TBD

Note: All referenced Sections from AB 288 (Education Code § 76004)

- Student Learning and Achievement
- Health and Safety of Students and Schools
- Credibility and Communication
- Fiscal Solvency, Accountability and Integrity

- Consent
- Action/Discussion
- Information/Discussion
- Public Hearing

SUBJECT: District Update on Response to COVID-19/Reopening Plans

DATE: March 18, 2021

PERSON(S) RESPONSIBLE: Ralph Gómez Porras, Superintendent

RECOMMENDATION:

The District Administration recommends the Board receive information regarding District response to COVID-19 and secondary schools' reopening plans and start dates, and provide direction to Administration.

INFORMATION:

The District Administration will update the Board, staff and community on current District response and protocols to COVID-19 and re-opening plans.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Student Learning and Achievement | <input type="checkbox"/> Consent |
| <input checked="" type="checkbox"/> Health and Safety of Students and Schools | <input checked="" type="checkbox"/> Action/Discussion |
| <input type="checkbox"/> Credibility and Communication | <input type="checkbox"/> Information/Discussion |
| <input type="checkbox"/> Fiscal Solvency, Accountability and Integrity | <input type="checkbox"/> Public Hearing |

SUBJECT: Employee Student Learning Support Program

DATE: March 18, 2021

PERSON(S) RESPONSIBLE: Billie Mankey, Director II, Human Resources;
Barbara Martinez, Principal Pacific Grove Adult Education

RECOMMENDATION:

The District Administration recommends the Board review and approve the program for Employee Student Learning Support as fully funded by one-time Covid Relief Funds or provide alternative direction.

BACKGROUND:

This is a new service meant to support district employees and their children during Hybrid Learning. Students will attend Student Learning Support Program during the time period that they will not be in their hybrid learning class during the school day hours of operation.

INFORMATION:

Employee surveys have been completed providing the number of students, their grade level and school site. The program will be maintained at Forest Grove Elementary School, Robert Down Elementary School, and Pacific Grove Middle School following all PPE and Covid-19 Safety Guidelines as outlined in the district's Covid Safety Plan, site Re-opening plans, and guidance from the CDPH. Additional information is needed at this time to determine whether the student will attend the Student Learning Support Program during A.M. or P.M.

This initial plan will be supported by a combination of current employees and new employees. The first date of implementation of this program would follow the reopening plans for the identified grade level students.

Students will be registered on a first come basis meaning that those who have already completed the survey have first consideration. The program may be limited by site capacity.

FISCAL IMPACT:

This program qualifies for one-time Covid-19 relief funding. Current employees who would be identified for working in the SLSP are accounted for in the 2020-21 school year budget and could be temporarily recoded for funding purposes. There are new costs for new short-term personnel. A supplies budget is yet to be defined. The table below is representative of and based on the information received at the time of this submission.

District Percentage of Funding	0	50%	75%	100%
		\$25,920	\$12,960	\$51,840
Employee rate per student	\$1,234	\$617.14	\$308.50	0

2020-21 EMPLOYEE STUDENT LEARNING SUPPORT PROGRAM					
SITE:	ROBERT DOWN ELEMENTARY SCHOOL and FOREST GROVE ELEMENTARY SCHOOL				
HOURS OF OPERATION:		8:15 A.M.-3:30 P.M.			
SITE:	PACIFIC GROVE MIDDLE SCHOOL				
HOURS OF OPERATION:		8:15 A.M. - 3:30 P.M.			
42 students		Staffing 3 employees per site program		Staffing	8:00 a.m. -4:00p.m. (8.0 hours)
COST ESTIMATE					
	Amount Hourly + Benes	Daily (8 hours)	Monthly (20 days)	Monthly 3 employees/1 per site	
Current BASRP Staff 1 Employee	\$42	\$336	\$6,720	\$20,160	
New Childcare Attendant 1 employee	\$22	\$176	\$3,520	Monthly 9 employees/2 per site	
				\$31,680	
			TOTAL:	\$51,840	
District Percentage of Funding	0	50%	75%	100%	
		\$25,920	\$12,960	\$51,840	
Employee rate per student	\$1,234	\$617.14	\$308.50	0	
GRADE LEVEL AND STUDENT NUMBERS					
	RDE	FGE	PGMS		
TK		1			
1st	2				
2nd	2	3			
3rd	5	6			
4th	4				
5th	3	1			
6th			7		
7th					
8th			1		
unknown			7		
Total	16	11	15		
Special Considerations:					
Billie:					
Keep a minimal amount of employees to provide less exposure. Keep student cohorts together. Stagger recess and lunch periods and the use of outside areas.					
If additional staff are needed, other than what is listed above, amount would increase.					
Do we need to charge Food Service costs to this program?					
May need additional part time staffing to cover breaks and assist with lunches.					
AM/PM student schedules are not yet complete.					

- | | |
|---|---|
| <input type="checkbox"/> Student Learning and Achievement | <input type="checkbox"/> Consent |
| <input type="checkbox"/> Health and Safety of Students and Schools | <input checked="" type="checkbox"/> Action/Discussion |
| <input type="checkbox"/> Credibility and Communication | <input type="checkbox"/> Information/Discussion |
| <input checked="" type="checkbox"/> Fiscal Solvency, Accountability and Integrity | <input type="checkbox"/> Public Hearing |

SUBJECT: Authorizing The Issuance and Sale of General Obligation Bonds Election of 2020, Series A, In A Principal Amount Not to Exceed \$6,000,000 And Approving Related Documents and Actions

DATE: March 18, 2021

PERSON(S) RESPONSIBLE: Song Chin-Bendib, Assistant Superintendent for Business Services

RECOMMENDATION:

The District Administration recommends that the Board authorize the issuance and sale of General Obligation Bonds election 2020 Series A, in a principal amount not to exceed \$6,000,000 and approving related documents and actions.

BACKGROUND:

Voters in the city of Pacific Grove approved Measure D at the November 3, 2020 election, authorizing the District to issue up to \$30 million in general obligation bonds to finance school facility improvements, which bonds are repaid by property tax levies and collections.

INFORMATION:

The issuance resolution (the “Bond Resolution”) sets forth all of the terms and conditions of the issuance of an initial series of bonds in an amount not to exceed \$6 million. The Bonds are proposed to be issued as traditional, tax-exempt current interest bonds pursuant to the terms of the California Government Code. Capital appreciation bonds are not authorized. The Bond Resolution authorizes the sale of the bonds through a competitive sale, with the option to switch to a negotiated sale if a competitive sale is unsuccessful.

The Bond Resolution authorizes District officials to bring into final form and execute the Official Statement, Official Notice of Sale and the Continuing Disclosure Certificate. Short descriptions of these documents follow.

(1) Official Statement: The Preliminary Official Statement (the “POS”) is the document that will be circulated to potential investors in the bonds. The POS describes to investors the terms of the bonds (principal maturity amounts and dates, interest payment dates), and the security for the bonds (*ad valorem* taxes levied and collected in the District in a sufficient amount to pay debt service coming due in each fiscal year on the bonds), describes the District’s tax base, and also

presents District financial information to provide an investor with information regarding the District's overall financial health. The POS must contain all material information regarding the Bonds, and must not contain any material misstatements or omissions. The Bond Resolution delegates authority to the District's staff to make changes to the POS following approval but before the Preliminary Official Statement is printed and distributed to investors.

(2) Official Notice of Sale. This document will be distributed to potential investors in the Bonds, along with the Preliminary Official Statement, and sets forth the terms of the sale of the Bonds to the purchaser. Following review of the Official Notice of Sale and Preliminary Official Statement, investors are invited to bid for purchase of the Bonds, and a winning bidder will be selected based on the lowest true interest cost to the District.

(3) Continuing Disclosure Certificate. Under the Bond Resolution, the District covenants to comply with the terms of the Continuing Disclosure Certificate, which is attached to the POS as Appendix E. This imposes annual and significant events filing requirements on the District during the life of the Bonds in order to keep the bond market informed.

Included in the Board packet are Preliminary Official Statement and Official Notice of Sale.

FISCAL IMPACT:

The cost of issuance is included in the Measure D Series A bond funding, and does not impact the District's funds. The breakdown is as follows:

- (A) True interest cost of the Bonds: 2.790%
- (B) Finance charge of the Bonds (sum of all costs of issuance and fees/charges paid to third parties): \$222,000
- (C) Net proceeds to be received (net of finance charges, reserves and capitalized interest, if any): \$5,820,000
- (D) Total payment amount through maturity: \$7,602,266

**BOARD OF EDUCATION
PACIFIC GROVE UNIFIED SCHOOL DISTRICT**

RESOLUTION NO. 1065

**AUTHORIZING THE ISSUANCE AND SALE OF GENERAL
OBLIGATION BONDS ELECTION OF 2020, SERIES A,
IN A PRINCIPAL AMOUNT NOT TO EXCEED \$6,000,000 AND
APPROVING RELATED DOCUMENTS AND ACTIONS**

WHEREAS, the Pacific Grove Unified School District (the "District") is a unified school district located within the County of Monterey (the "County"), State of California (the "State"), and is organized and operating pursuant to the Constitution and laws of the State; and

WHEREAS, a bond election was duly and regularly held in the District on March 3, 2020, under the procedures specified in Proposition 39 (Article XIII A, Section 1, paragraph (b) of the California Constitution) for the purpose of submitting a ballot measure (the "Bond Measure") to the qualified electors of the District, authorizing the issuance of general obligation bonds of the District in the aggregate principal amount of \$30,000,000, and more than the requisite 55% of the votes cast at said election were in favor of the Bond Measure; and

WHEREAS, the abbreviated form of the Bond Measure is:

"To replace outdated plumbing/electrical systems, upgrade fire alarms and emergency communication systems; repair/replace roofs and modernize classrooms at schools throughout the district, shall the Pacific Grove Unified School District measure authorizing \$30 million of bonds be adopted with legal rates, yearly levies of less than 3 cents per \$100 of assessed valuation through approximately 2039 (generating an average of \$2.1 million dollars per year), annual audits, independent oversight and no estimated increase in current tax rates?"; and

WHEREAS, the Board of Education of the District (the "Board") is authorized to provide for the issuance and sale of any series of bonds under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"); and

WHEREAS, the Board has determined at this time to authorize the issuance and sale of an initial series of bonds pursuant to the Bond Measure (the "Series A Bonds") in the aggregate principal amount of not to exceed \$6,000,000 under the Bond Law, for the purpose of providing funds to finance projects and facilities which have been authorized under the Bond Measure;

WHEREAS, in accordance with Government Code Section 5852.1, the Board has obtained and disclosed the information set forth in Appendix B hereto; and

NOW, THEREFORE, the Board of Education of the District hereby finds, determines, declares and resolves as follows:

ARTICLE I

DEFINITIONS; AUTHORITY

SECTION 1.01. *Definitions.* The terms defined in this Section 1.01, as used and capitalized herein, shall, for all purposes of this Resolution, have the meanings given them below, unless the context clearly requires some other meaning.

“Authorized Investments” means the County Investment Pool, the Local Agency Investment Fund of the California State Treasurer, any investments authorized pursuant to Sections 53601 and 53635 of the California Government Code, and investment agreements, including guaranteed investment contracts, float contracts or other investment products (provided that such agreements comply with the requirements of Section 148 of the Tax Code).

“Board” means the Board of Education of the District.

“Bond Counsel” means (a) the firm of Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

“Bond Law” means Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 53506 of said Code, or such other law pursuant to which the Series A Bonds may be issued, as in effect on the date of adoption hereof and as amended hereafter.

“Bond Measure” means Measure D, which was submitted to, and approved by more than 55% of, the voters at an election held on March 3, 2020, under which the issuance of the Series A Bonds has been authorized.

“Building Fund” means the fund established and held by the County Treasurer under Section 3.03.

“Closing Date” means the date upon which there is a physical delivery of the Series A Bonds in exchange for the amount representing the purchase price of the Series A Bonds by the Original Purchaser.

“Continuing Disclosure Certificate” means the Continuing Disclosure Certificate which is executed and delivered by a District Representative on the Closing Date.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the District and related to the authorization, issuance, sale and delivery of the Series A Bonds, including but not limited to the costs of preparation and reproduction of documents, printing expenses, filing and recording fees, initial fees and charges of the Paying Agent and its counsel, fees and charges of Bond Counsel and the Municipal Advisor, fees and disbursements of other consultants and professionals, rating agency fees and any other cost, charge or fee in connection with the original issuance of the Series A Bonds.

“County” means the County of Monterey, a political subdivision of the State of California, duly organized and existing under the Constitution and laws of the State of California.

“County Treasurer” means the Monterey County Treasurer-Tax Collector, or any authorized deputy thereof.

“Debt Service Fund” means the Debt Service Fund established and held by the County under the Education Code for the repayment of the Series A Bonds.

“Depository” means (a) initially, DTC, and (b) any other Securities Depository acting as Depository under Section 2.09.

“Depository System Participant” means any participant in the Depository’s book-entry system.

“District” means the Pacific Grove Unified School District, a school district organized under the Constitution and laws of the State of California, and any successor thereto.

“District Representative” means the Superintendent, the Assistant Superintendent, Business Services, the President of the Board, the Secretary to the Board, or any other duly appointed officer of the District authorized by resolution of the Board to act as a representative of the District hereunder.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Education Code” means the Education Code of the State of California as in effect on the date of adoption hereof and as amended hereafter.

“Federal Securities” means United States Treasury notes, bonds, bills or certificates of indebtedness, or any other obligations the timely payment of which is directly or indirectly guaranteed or secured by the full faith and credit of the United States of America.

“Interest Payment Date” means each February 1 and August 1 during the term of the Series A Bonds, commencing on the date set forth in the Official Notice of Sale.

“Municipal Advisor” means Dale Scott & Company Inc., as municipal advisor to the District in connection with the issuance and sale of the Series A Bonds.

“Official Notice of Sale” means the Official Notice of Sale which is approved by the Board relating to the competitive public sale of the Series A Bonds.

“Outstanding,” when used as of any particular time with reference to Series A Bonds, means all Series A Bonds except (a) Series A Bonds theretofore canceled by the Paying Agent or surrendered to the Paying Agent for cancellation, (b) Series A Bonds paid or deemed to have been paid within the meaning of Section 8.02 and (c) Series A Bonds in lieu of or in substitution for which other Series A Bonds have been authorized, executed, issued and delivered by the District under this Resolution.

“Original Purchaser” means the original purchaser of the Series A Bonds upon the competitive public sale thereof.

“Owner”, whenever used herein with respect to a Series A Bond, means the person in whose name the ownership of such Series A Bond is registered on the Registration Books.

“Paying Agent” means, initially, U.S. Bank National Association, acting as paying agent, registrar and authenticating agent for the Series A Bonds, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 6.01.

“Principal Office” means the office or offices of the Paying Agent for the payment of the Series A Bonds and the administration of its duties hereunder, as such office or offices are identified in a written notice filed with the District by the Paying Agent.

“Record Date” means the 15th calendar day of the month preceding an Interest Payment Date, whether or not such day is a business day.

“Registration Books” means the records maintained by the Paying Agent for the registration of ownership and transfer of the Series A Bonds under Section 2.08.

“Resolution” means this Resolution, as originally adopted by the Board and including all amendments hereto and supplements hereof which are duly adopted by the Board from time to time in accordance herewith.

“Securities Depositories” means DTC and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a Written Request of the District delivered to the Paying Agent.

“Series A Bonds” means the not to exceed \$6,000,000 aggregate principal amount of Pacific Grove Unified School District General Obligation Bonds, Election of 2020, Series A, at any time Outstanding under this Resolution.

“Tax Code” means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

“Term Bonds” means any one or more maturities of the Series A Bonds which are subject to mandatory sinking fund redemption under Section 2.03(b).

“Written Request of the District” means an instrument in writing signed by a District Representative or by any other officer of the District duly authorized to act on behalf of the District under a written certificate of a District Representative.

SECTION 1.02. *Interpretation.*

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Resolution; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or subdivision hereof.

SECTION 1.03. *Authority for this Resolution; Findings.* This Resolution is entered into under the provisions of the Bond Law. The Board hereby certifies that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of the Series A Bonds do exist, have happened or have been performed in due and regular time and manner as required by the laws of the State of California, and that the amount of the Series A Bonds, together with all other indebtedness of the District, does not exceed any limit prescribed by any laws of the State of California.

ARTICLE II

THE SERIES A BONDS

SECTION 2.01. *Authorization.* The Board hereby authorizes the issuance of the Series A Bonds in the aggregate principal amount not to exceed \$6,000,000, under and subject to the terms of the Bond Law and this Resolution, for the purpose of raising money to finance school facilities in accordance with the Bond Measure, and to pay Costs of Issuance to the extent not paid by the Original Purchaser. This Resolution constitutes a continuing agreement between the District and the Owners of all of the Series A Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal of and interest and premium, if any, on all Series A Bonds which may be Outstanding hereunder, subject to the covenants, agreements, provisions and conditions herein contained. The Series A Bonds are designated the “Pacific Grove Unified School District General Obligation Bonds Election of 2020, Series A”.

SECTION 2.02. *Terms of Series A Bonds.*

(a) Terms of Series A Bonds. The Series A Bonds will be issued as fully registered bonds, without coupons, in the form of current interest bonds in the denomination of \$5,000 each or any integral multiple thereof, but in an amount not to exceed the aggregate principal amount of Series A Bonds maturing in the year of maturity of the Series A Bond for which the denomination is specified. Series A Bonds will be lettered and numbered as the Paying Agent may prescribe. The Series A Bonds will be dated as of the Closing Date.

Interest on the Series A Bonds is payable semi-annually on each Interest Payment Date. Each Series A Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it will bear interest from such date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the first Record Date, in which event it will bear interest from the Closing Date. Notwithstanding the foregoing, if interest on any Series A Bond is in default at the time of authentication thereof, such Series A Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

(b) Maturities; Basis of Interest Calculation. The Series A Bonds will mature on August 1 in the years and in the amounts, and will bear interest at the rates (up to a maximum of 8 percent per annum), as determined upon the sale thereof; *provided, however*, the maximum interest rate per annum and the final maturity date shall not extend beyond the legal limits set forth in the Bond Law. Interest on the Series A Bonds will be calculated on the basis of a 360-day year comprised of twelve 30-day months. The final maturity of the Series A Bonds shall not exceed the legal limit identified in the Bond Law, and if the final maturity is more than thirty years after the Closing Date, a District Representative is authorized to execute a certification confirming that the useful life of the facilities to be financed with the proceeds of the Series A Bonds which mature more than thirty years after the Closing Date exceeds the final maturity date of said Series A Bonds.

(c) CUSIP Identification Numbers. "CUSIP" identification numbers shall be imprinted on the Series A Bonds, but such numbers do not constitute a part of the contract evidenced by the Series A Bonds and any error or omission with respect thereto will not constitute cause for refusal of any purchaser to accept delivery of and pay for the Series A Bonds. Any failure by the District to use CUSIP numbers in any notice to Owners of the Series A Bonds will not constitute an event of default or any violation of the District's contract with the Owners and will not impair the effectiveness of any such notice.

(d) Payment. Interest on the Series A Bonds (including the final interest payment upon maturity or redemption) is payable by check, draft or wire of the Paying Agent mailed to the Owner thereof (which will be DTC so long as the Series A Bonds are held in the book-entry system of DTC) at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; except that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of the Series A Bonds, which written request is on file with the Paying Agent as of any Record Date, interest on any Series A Bonds will be paid on the succeeding Interest Payment Date to such account as will be specified in such written request. Principal of and premium (if any) on the Series A Bonds is payable in lawful money of the United States of America upon presentation and surrender at the Principal Office of the Paying Agent.

SECTION 2.03. *Redemption.*

(a) Optional Redemption Dates and Prices. The Series A Bonds shall be subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as designated by the District and by lot within a maturity, from

any available source of funds, on the dates and at the redemption prices which are set forth in the Official Notice of Sale.

(b) Mandatory Sinking Fund Redemption. If, and as specified in the winning bid for the Series A Bonds, any maturity of Series A Bonds may be designated as "Term Bonds" which are subject to mandatory sinking fund redemption on August 1 in each of the years set forth and in the respective principal amounts as determined upon the sale of the Series A Bonds, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption. If some but not all of such Term Bonds have been redeemed under the preceding subsection (a) of this Section, the aggregate principal amount of such Term Bonds to be redeemed in each year under this subsection will be reduced on a pro rata basis in integral multiples of \$5,000, or as otherwise designated in a Written Request of the District filed with the Paying Agent.

(c) Selection of Series A Bonds for Redemption. Whenever less than all of the Outstanding Series A Bonds of any one maturity are designated for redemption, the Paying Agent shall select the Outstanding Series A Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Series A Bond will be deemed to consist of individual bonds of \$5,000 principal amount each, which may be separately redeemed.

(d) Redemption Procedure. The Paying Agent will cause notice of any redemption to be mailed, first class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the respective Owners of any Series A Bonds designated for redemption, at their addresses appearing on the Registration Books. Such notice may be a conditional notice of redemption and subject to rescission as set forth in (e) below. Such mailing is not a condition precedent to such redemption and the failure to mail or to receive any such notice will not affect the validity of the proceedings for the redemption of such Series A Bonds. In addition, the Paying Agent will give notice of redemption by telecopy or certified, registered or overnight mail to each of the Securities Depositories and the Municipal Securities Rulemaking Board at least two days prior to such mailing to the Series A Bond Owners.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding Series A Bonds are to be called for redemption, shall designate the serial numbers of the Series A Bonds to be redeemed by giving the individual number of each Series A Bond or by stating that all Series A Bonds between two stated numbers, both inclusive, or by stating that all of the Series A Bonds of one or more maturities have been called for redemption, and shall require that such Series A Bonds be then surrendered at the Office of the Paying Agent for redemption at the said redemption price, giving notice also that further interest on such Series A Bonds will not accrue from and after the redemption date.

Upon surrender of Series A Bonds redeemed in part only, the District will execute and the Paying Agent shall authenticate and deliver to the Owner, at the expense of the District, a new Series A Bond or Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series A Bond or Bonds.

From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest (and premium, if any) on the Series A Bonds so called for redemption have been duly provided, the Series A Bonds called for redemption will cease to be entitled to any benefit under this Resolution other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in the notice. The Paying Agent will cancel all Series A Bonds redeemed under this Section and will furnish a certificate of cancellation to the District.

(e) Right to Rescind Notice of Redemption. The District has the right to rescind any notice of the optional redemption of Series A Bonds under subsection (a) of this Section by written notice to the Paying Agent on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Series A Bonds then called for redemption. The District and the Paying Agent shall have no liability to the Series A Bond Owners or any other party related to or arising from such rescission of redemption. The Paying Agent shall give notice of such rescission of redemption in the same manner as the original notice of redemption was given under subsection (d) of this Section.

SECTION 2.04. *Form of Series A Bonds.* The Series A Bonds, the form of the Paying Agent's certificate of authentication and registration and the form of assignment to appear thereon shall be substantially in the forms, respectively, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Resolution, as are set forth in Appendix A attached hereto.

SECTION 2.05. *Execution of Series A Bonds.* The Series A Bonds shall be signed by the facsimile signature of the President, Vice President or Clerk of the Board and shall be attested by the facsimile signature a District Representative. No Series A Bond is valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Series A Bond is signed by the Paying Agent as authenticating agent.

The Series A Bonds shall be in substantially the form attached hereto as Appendix A and incorporated herein by this reference, allowing those officials executing the Series A Bonds to make the insertions and deletions necessary to conform the Series A Bonds to the provisions of this Resolution.

Only those Series A Bonds bearing a certificate of authentication and registration in the form set forth in Appendix A attached hereto, executed and dated by the Paying Agent, are valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent is conclusive evidence that the Series A Bonds so registered have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Resolution.

SECTION 2.06. *Transfer of Series A Bonds.* Any Series A Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series A Bond for cancellation at the Principal Office at the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly

executed. The District may charge a reasonable sum for each new Series A Bond issued upon any transfer.

Whenever any Series A Bond or Bonds is surrendered for transfer, the District will execute and the Paying Agent will authenticate and deliver a new Series A Bond or Bonds, for like aggregate principal amount. No transfer of Series A Bonds is required to be made (a) 15 days prior to the date established by the Paying Agent for selection of Series A Bonds for redemption or (b) with respect to a Series A Bond which has been selected for redemption.

SECTION 2.07. *Exchange of Series A Bonds.* Series A Bonds may be exchanged at the Principal Office of the Paying Agent for a like aggregate principal amount of Series A Bonds of authorized denominations and of the same maturity. The District may charge a reasonable sum for each new Series A Bond issued upon any exchange (except in the case of any exchange of temporary Series A Bonds for definitive Series A Bonds). No exchange of Series A Bonds is required to be made (a) 15 days prior to the date established by the Paying Agent for selection of Series A Bonds for redemption or (b) with respect to a Series A Bond after it has been selected for redemption.

SECTION 2.08. *Registration Books.* The Paying Agent will keep or cause to be kept sufficient books for the registration and transfer of the Series A Bonds, which will at all times be open to inspection by the District upon reasonable notice. Upon presentation for such purpose, the Paying Agent will, under such reasonable regulations as it may prescribe, register or transfer the ownership of the Series A Bonds on the Registration Books.

SECTION 2.09. *Book-Entry System.* Except as provided below, DTC shall be the Owner of all of the Series A Bonds, and the Series A Bonds shall be registered in the name of Cede & Co. as nominee for DTC. The Series A Bonds shall be initially executed and delivered in the form of a single fully registered Series A Bond for each maturity date of the Series A Bonds in the full aggregate principal amount of the Series A Bonds maturing on such date. The Paying Agent and the District may treat DTC (or its nominee) as the sole and exclusive owner of the Series A Bonds registered in its name for all purposes of this Resolution, and neither the Paying Agent nor the District shall be affected by any notice to the contrary. The Paying Agent and the District have no responsibility or obligation to any Depository System Participant, any person claiming a beneficial ownership interest in the Series A Bonds under or through DTC or a Depository System Participant, or any other person which is not shown on the register of the District as being an owner, with respect to the accuracy of any records maintained by DTC or any Depository System Participant or the payment by DTC or any Depository System Participant by DTC or any Depository System Participant of any amount in respect of the principal or interest with respect to the Series A Bonds. The District shall cause to be paid all principal and interest with respect to the Series A Bonds only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal and interest with respect to the Series A Bonds to the extent of the sum or sums so paid. Except under the conditions noted below, no person other than DTC shall receive a Series A Bond. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the term "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

If the District determines that it is in the best interest of the beneficial owners that they be able to obtain Series A Bonds and delivers a written certificate to DTC and the Paying Agent to that effect, DTC shall notify the Depository System Participants of the availability through DTC of Series A Bonds. In such event, the District shall issue, transfer and exchange Series A Bonds as requested by DTC and any other owners in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Series A Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the District shall be obligated to deliver Series A Bonds as described in this Resolution. Whenever DTC requests the District to do so, the District will cooperate with DTC in taking appropriate action after reasonable notice to (a) make available one or more separate Series A Bonds evidencing the Series A Bonds to any Depository System Participant having Series A Bonds credited to its DTC account or (b) arrange for another securities depository to maintain custody of certificates evidencing the Series A Bonds.

Notwithstanding any other provision of this Resolution to the contrary, so long as any Series A Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal and interest with respect to such Series A Bond and all notices with respect to such Series A Bond shall be made and given, respectively, to DTC as provided as in the representation letter delivered on the date of issuance of the Series A Bonds.

Section 2.10. *Transfer Under Book-Entry System: Discontinuation of Book-Entry System.* Registered ownership of the Series A Bonds, or any portion thereof, may not be transferred except as follows:

(i) To any successor of Cede & Co., as nominee of DTC, or its nominee, or to any substitute depository designated pursuant to clause (ii) of this section (a “substitute depository”); *provided that* any successor of Cede & Co., as nominee of DTC or substitute depository, shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(ii) To any substitute depository not objected to by the District or the County, upon (1) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the County (upon consultation with the District) to substitute another depository for DTC (or its successor) because DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository, provided that any such substitute shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) To any person upon (1) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository, or (2) a determination by the District to remove DTC or its successor (or any substitute depository or its successor) from its functions as depository.

ARTICLE III

SALE OF SERIES A BONDS; APPLICATION OF PROCEEDS

SECTION 3.01. *Sale of Series A Bonds; Approval of Sale Documents.*

(a) Official Notice of Sale. The Board hereby authorizes the sale of the Series A Bonds by competitive bid in accordance with the provisions of the Official Notice of Sale for the Series A Bonds in substantially the form on file with the Clerk of the Board, together with such additions thereto and changes therein as may be approved by a District Representative. The true interest cost of the Series A Bonds shall not exceed 6.0% per annum.

(b) Publication of Notice of Intention to Sell Series A Bonds. Under Government Code Section 53692, the Board hereby approves and authorizes the publication by Jones Hall, A Professional Law Corporation, as Bond Counsel to the District, of a Notice of Intention to Sell Bonds in form and substance acceptable to Bond Counsel, in *The Bond Buyer* once at least 5 days prior to the date fixed for receipt of bids.

(c) Official Statement. The Board hereby approves and deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the Preliminary Official Statement describing the Series A Bonds in the form on file with the Clerk of the Board. A District Representative is hereby individually authorized, at the request of the Original Purchaser, to execute an appropriate certificate affirming the Board's determination that the Preliminary Official Statement has been deemed final within the meaning of such Rule. Distribution of the Preliminary Official Statement by the Municipal Advisor to prospective bidders on the Series A Bonds is hereby approved. A District Representative is hereby individually authorized and directed to approve any changes in or additions to a Final Official Statement, and the execution thereof by such District Representative shall be conclusive evidence of approval of any such changes and additions. The Board hereby authorizes the distribution of the Final Official Statement by the Original Purchaser. A District Representative shall execute the Final Official Statement in the name and on behalf of the District.

(d) Furnishing of Official Notice of Sale and Official Statement. The Municipal Advisor to the District is hereby authorized and directed by the District to cause to be furnished to prospective bidders a reasonable number of copies of the Official Notice of Sale and a reasonable number of copies of the Preliminary Official Statement relating to the Series A Bonds.

(e) Alternate Method of Sale. In the event that the District does not receive bids that conform to the requirements of the Official Notice of Sale, the Board hereby authorizes the negotiated sale of the Series A Bonds to an underwriter to be selected by a District Representative. In such event, the Series A Bonds shall be sold pursuant to a bond purchase agreement (the "Bond Purchase Agreement"), such approval to be conclusively evidenced by the execution and delivery by a District Representative of the Bond Purchase Agreement, provided that the Bond Purchase Agreement shall contain the following terms:

- (i) the Series A Bonds shall bear a rate of interest of not to exceed 8.0% per annum and the final maturity shall not exceed the limits contained in the Bond Law;
- (ii) the Series A Bonds shall have a ratio of total debt service to principal of not to exceed four to one; and
- (iii) the Underwriter's discount shall not exceed 5.0% of the principal amount of the Series A Bonds.

The Board hereby authorizes a District Representative to execute and deliver the final form of the Bond Purchase Agreement in the name and on behalf of the District.

In accordance with Section 53508.7 of the Bond Law, the Board has determined to sell the Series A Bonds at negotiated sale in the event of a failed public sale because a negotiated sale provides flexibility to choose the time and date of the sale to an underwriter willing to provide all of the Series A Bonds. As required pursuant to Section 53509.5 of the Bond Law, after the sale of the Series A Bonds, the Board will present actual cost information of the sale at its next scheduled public meeting.

(f) Actions to Close Bond Issuance. Each District Representative and any and all other officers of the District are each authorized and directed in the name and on behalf of the District to execute and deliver any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Series A Bonds, including but not limited to the execution and delivery of a document with respect to the engagement of the Paying Agent appointed hereby, and an agreement facilitating the payment of Costs of Issuance.

SECTION 3.02. *Application of Proceeds of Sale of Series A Bonds.* The net proceeds of the Series A Bonds shall be paid to the County Treasurer on the Closing Date, and shall be applied by the County Treasurer as follows:

- (a) The portion of the proceeds representing the premium (if any) received by the County Treasurer on the sale of the Series B Bonds will be deposited in the Debt Service Fund.
- (b) The County Treasurer shall deposit the remainder of such proceeds in the Building Fund.

Notwithstanding the foregoing, in the event that the District has obtained a municipal bond insurance policy for the Series A Bonds, a portion of the proceeds of the Series A Bonds may at the direction of the District be paid directly by the Original Purchaser to a bond insurer.

At the option of the District, a portion of the proceeds of the Bonds to be used by the District to pay Costs of Issuance may be deposited with a fiscal agent selected by the District, as provided in Section 15146(g) of the Education Code, in order to facilitate the payment of Costs of Issuance. A District Representative is authorized to enter into an agreement with such fiscal agent to facilitate such payment. In addition, the Bond

Purchase Agreement may provide that the Underwriter is obligated to pay certain Costs of Issuance and a District Representative is authorized to review and consent to a schedule of such costs.

SECTION 3.03. *Building Fund.* The District hereby directs the County Treasurer to establish, hold and maintain a fund to be known as the "Pacific Grove Unified School District, Election of 2020, Series A Building Fund", which the County shall maintain as a separate account, distinct from all other funds of the County and the District. The proceeds received by the County from the sale of the Series A Bonds shall be deposited in the Building Fund to the extent required by Section 3.02(b), to be expended by the District in accordance with the Bond Measure, including for payment of costs of issuing the Series A Bonds to the extent not paid directly by the Original Purchaser. All interest and other gain arising from the investment of amounts deposited to the Building Fund shall be retained in the Building Fund and used for the purposes thereof. At the written request of the District filed with the County Treasurer, any amounts remaining on deposit in the Building Fund and not needed for the purposes thereof shall be withdrawn from the Building Fund and transferred to the Debt Service Fund to be applied to pay the principal of and interest on the Series A Bonds.

If excess amounts remain on deposit in the Debt Service Fund after payment in full of the Bonds, any such excess amounts shall be transferred to the general fund of the District, to be applied for the purposes for which the Bonds have been authorized or otherwise in accordance with the Bond Law.

SECTION 3.04. *Estimated Financing Costs.* The firm of Jones Hall, A Professional Law Corporation, has previously been engaged to act as the District's bond counsel and disclosure counsel, and the firm of Dale Scott & Company Inc. has previously been engaged to act as the District's Municipal Advisor, in connection with the issuance and sale of the Series A Bonds. The estimated costs of issuance associated with the bond sale are \$180,000, which includes the fees and expenses of the Municipal Advisor and Bond Counsel, disclosure counsel fees and expenses, costs of preparing and printing the Official Statement, rating agency fees, Paying Agent fees and the cost of any legal publication, but which do not include underwriting fees and the cost of municipal bond insurance.

ARTICLE IV

SECURITY FOR THE SERIES A BONDS; PAYMENT OF DEBT SERVICE

SECTION 4.01. *Security for the Series A Bonds.* The Series A Bonds are general obligations of the District, and the Board has the power to direct the County to levy *ad valorem* taxes upon all property within the District subject to taxation without limitation of rate or amount, for the payment of the Series A Bonds and the interest and redemption premium (if any) thereon, in accordance with and subject to Sections 15250 and Section 15252 of the Education Code. The District hereby directs the County to levy on all the taxable property in the District, in addition to all other taxes, a continuing direct and *ad valorem* tax annually during the period the Series A Bonds are Outstanding in an amount sufficient to pay the principal of and interest on the Series A Bonds when due, including the principal of any Term Bonds upon the mandatory sinking fund redemption thereof under Section 2.03(b), which moneys when collected will be paid to the County and deposited in the Debt Service Fund. Additionally, the County is directed to include in the tax levy the expense of paying the Series A Bonds elsewhere than at the office of the County Treasurer.

The Board further requests the County to establish an annual reserve for the purpose of avoiding fluctuating tax levies, as permitted under Section 15250 of the Education Code. The Board hereby authorizes a District Representative, to coordinate with the County Auditor-Controller concerning the rate of taxes to be levied.

The principal of and interest and redemption premium (if any) on the Series A Bonds do not constitute a debt of the County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents or employees thereof, and none of the County, the State of California, any of its political subdivisions nor any of the officers, agents or employees thereof are liable thereon.

The District will supply the Auditor-Controller of the County with the necessary information regarding the scheduled debt service for the Series A Bonds, so that each may, on a timely basis, levy *ad valorem* taxes, as provided in Section 15250 of the Education Code, to enable the District to punctually pay, or cause to be paid, the principal of and interest on the Series A Bonds in conformity with the terms of the Series A Bonds and of this Resolution.

SECTION 4.02. *Debt Service Fund.* The District hereby directs the County Treasurer to continue to hold and maintain the Debt Service Fund, distinct from all other funds of the County and the District. All taxes levied by the County for the payment of the principal of and interest and premium (if any) on the Series A Bonds shall be deposited in the Debt Service Fund by the County promptly upon apportionment of said levy. The Debt Service Fund is pledged for the payment of the principal of and interest on the Series A Bonds and all other outstanding Series A Bonds when and as the same become due, including the principal of any Term Bonds required to be paid upon the mandatory sinking fund redemption thereof. Amounts in the Debt Service Fund shall be transferred by the County to the Paying Agent to the extent required to pay the principal of and interest and redemption premium (if any) on the Series A Bonds when due. In addition, amounts on deposit in the Debt Service Fund shall be applied to pay the fees and expenses of the

Paying Agent insofar as permitted by law, including specifically by Section 15232 of the Education Code.

SECTION 4.03. *Disbursements from Debt Service Fund.* The County shall administer the Debt Service Fund and make disbursements therefrom in the manner set forth in this Section. The County Treasurer shall transfer amounts on deposit in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Bonds when due and payable, to the Paying Agent which, in turn, shall pay such moneys to DTC to pay the principal of and interest on the Bonds. DTC will thereupon make payments of principal and interest on the Bonds to DTC Participants, who will thereupon make payments of principal and interest to the beneficial owners of the Series A Bonds. Any moneys remaining in the Debt Service Fund after the Bonds and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the general fund of the District, as provided in Section 15234 of the Education Code.

SECTION 4.04. *Investments.* All moneys held in any of the funds or accounts established with the County Treasurer hereunder shall be invested in Authorized Investments in accordance with the investment policies of the County, as such policies exist at the time of investment. Obligations purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account.

All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the fund or account from which such investment was made, and shall be expended for the purposes thereof. The District covenants that all investments of amounts deposited in any fund or account created by or under this Resolution, or otherwise containing proceeds of the Series A Bonds, shall be acquired and disposed of at the Fair Market Value thereof. For purposes of this Section 4.04, the term "Fair Market Value" shall mean, with respect to any investment, the price at which a willing buyer would purchase such investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as described above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, or (iii) the investment is a United States Treasury Security - State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

ARTICLE V

OTHER COVENANTS OF THE DISTRICT

SECTION 5.01. *Punctual Payment.* The Board will direct the County to levy *ad valorem* taxes, as provided in Section 15250 of the Education Code, so as to enable the District to punctually pay, or cause to be paid, the principal of and interest on the Series A Bonds, in conformity with the terms of the Series A Bonds and of this Resolution. Nothing herein contained prevents the District from making advances of its own moneys howsoever derived to any of the uses or purposes permitted by law.

SECTION 5.02. *Books and Accounts; Financial Statement.* The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District in which complete and correct entries are made of all transactions relating to the expenditure of the proceeds of the Series A Bonds. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Paying Agent and the Owners of not less than 10% in aggregate principal amount of the Series A Bonds then Outstanding, or their representatives authorized in writing.

SECTION 5.03. *Protection of Security and Rights of Series A Bond Owners.* The District will preserve and protect the security of the Series A Bonds and the rights of the Series A Bond Owners, and will warrant and defend their rights against all claims and demands of all persons. Following the issuance of the Series A Bonds by the District, the Series A Bonds shall be incontestable by the District.

SECTION 5.04. *Tax Covenants.*

(a) Maintenance of Tax-Exemption. The District shall take all actions necessary to assure the exclusion of interest on the Series A Bonds from the gross income of the Owners of the Series A Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date.

(b) Private Activity Bond Limitation. The District shall assure that the proceeds of the Series A Bonds are not so used as to cause the Series A Bonds to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(c) Federal Guarantee Prohibition. The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Series A Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Tax Code.

(d) No Arbitrage. The District shall not take, or permit or suffer to be taken by the Paying Agent or the County or otherwise, any action with respect to the proceeds of the Series A Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Series A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Tax Code.

[TO BE CONFIRMED BASED ON PAR] [(e) Exemption from Rebate Requirement. The District is a governmental unit with the power to impose taxes of general applicability which, when collected, may be used for general purposes of the District; the Series A Bonds are not private activity bonds within the meaning of section 141 of the Tax Code; and ninety-five percent (95%) of the Net Sale Proceeds of the Series A Bonds are to be used for local governmental activities of the District. The aggregate face amount (or, issue prices, in the case of issues with a net original issue discount or net original issue premium in excess of two percent (2%) of the principal amount of the issue, excluding original issue premium used for reasonable underwriter's compensation) of all tax-exempt obligations (other than private activity bonds as defined in section 141 of the Tax Code) issued by the District, including all subordinate entities of the District and all entities which may issue obligations on behalf of the District, during the calendar year during which the Series A Bonds are being issued, is not reasonably expected to exceed \$15,000,000, of which no more than \$5,000,000 is for other than the construction of public school facilities, excluding, however, that portion of current refunding obligations having a principal amount not in excess of the principal amount of the refunded obligation. By reason of the statements set forth in this subparagraph, the District will not rebate excess investment earnings, if any, to the federal government.

(f) Small Issuer Exemption from Bank Nondeductibility Restriction. The District hereby designates the Series A Bonds for purposes of paragraph (3) of section 265(b) of the Tax Code and represents that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under section 103(a) of the Tax Code) from gross income for federal income tax purposes (excluding (i) private activity bonds, as defined in section 141 of the Tax Code, except certain qualified 501(c)(3) bonds as defined in section 145 of the Tax Code and (ii) current refunding obligations to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation), including the Series A Bonds, has been or will be issued by the District, including all subordinate entities of the District, during the calendar year 2021. If the District determines prior to the sale of the Series A Bonds that obligations which exceed \$10,000,000 aggregate principal amount will be issued in calendar year 2021, the District Representative shall provide in the Notice of Sale or other appropriate document that the Series A Bonds are not bank qualified.]

SECTION 5.05. *Continuing Disclosure*. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, which shall be executed by a District Representative and delivered on the Closing Date. Notwithstanding any other provision of this Resolution, failure of the District to comply with the Continuing Disclosure Certificate does not constitute a default by the District hereunder or under the Series A Bonds; however, any Participating Underwriter (as that term is defined in the Continuing Disclosure Certificate) or any holder or beneficial owner of the Series A Bonds may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

SECTION 5.06. *Amendment of this Resolution*. The Board may amend this Resolution at any time following the Closing Date, without the consent of any of the Owners of the Series A Bonds, for any one or more of the following purposes:

- (a) To add to the covenants and agreements of the District in this Resolution, other covenants and agreements to be observed by the

District which are not contrary to or inconsistent with this Resolution as theretofore in effect;

- (b) To confirm, as further assurance, any pledge under, and to subject to any lien or pledge created or to be created by, this Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Resolution;
- (c) To cure any ambiguity, supply any omission, substitute any party, or cure or correct any defect or inconsistent provision in this Resolution, which in any event shall not materially adversely affect the interests of the Series A Bond Owners, in the opinion of Bond Counsel filed with the District; or
- (d) To make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Series A Bonds.

The District may amend this Resolution for any other purpose, but only with the prior written consents of the Owners of a majority in aggregate principal amount of the Outstanding Series A Bonds. No such amendment shall: (i) permit a change in the terms of maturity of the principal of any Series A Bonds or of any interest payable thereon or a reduction in the principal amount thereof or in the rate of interest thereon, without the consent of all the Owners of such Series A Bonds, (ii) reduce the amount of moneys available for the repayment of the Series A Bonds without the consent of all the Owners of such Series A Bonds, or (iii) change or modify any of the rights or obligations of any Paying Agent without its written consent.

SECTION 5.07. *CDIAC Annual Reporting.* The District hereby covenants and agrees that it will comply with the provisions of California Government Code Section 8855, subdivision (k) with respect to annual reporting to the California Debt and Investment Advisory Commission. Said reporting will occur at the times and include the types of information as set forth therein. Notwithstanding any other provision of this Resolution, failure of the District to comply with said reporting does not constitute a default by the District hereunder or under the Series A Bonds.

SECTION 5.08. *Further Assurances.* The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Owners of the Series A Bonds of the rights and benefits provided in this Resolution.

ARTICLE VI

THE PAYING AGENT

SECTION 6.01. *Appointment of Paying Agent.* U.S. Bank National Association is hereby appointed to act as initial Paying Agent for the Series A Bonds and, in such capacity, shall also act as registration agent and authentication agent for the Series A Bonds. The Paying Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Resolution, and even during the continuance of an event of default with respect to the Series A Bonds, no implied covenants or obligations shall be read into this Resolution against the Paying Agent. The Board hereby approves the execution and delivery of a Paying Agent Agreement between the District and the Paying Agent. A District Representative is hereby authorized and directed to execute the final form of Paying Agent Agreement on behalf of the District.

The District may remove the Paying Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be, if not the County, a bank or trust company doing business and having an office in the State of California, having a combined capital (exclusive of borrowed capital) and surplus of at least \$50,000,000, and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, under law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 6.01 the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Paying Agent may at any time resign by giving written notice to the District and the Series A Bond Owners of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint a successor Paying Agent by an instrument in writing. Any resignation or removal of the Paying Agent and appointment of a successor Paying Agent will become effective upon acceptance of appointment by the successor Paying Agent.

Any bank, national association, federal savings association, or trust company into which the Paying Agent may be merged or converted or with which it may be consolidated or any bank, national association, federal savings association, or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank, national association, federal savings association, or trust company to which the Paying Agent may sell or transfer all or substantially all of its corporate trust business, provided such bank, federal savings association, or trust company shall be eligible as described in this Section 6.01 shall be the successor to such Paying Agent, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

SECTION 6.02. *Paying Agent May Hold Series A Bonds.* The Paying Agent may become the owner of any of the Series A Bonds in its own or any other capacity with the same rights it would have if it were not Paying Agent.

SECTION 6.03. *Liability of Agents.* The recitals of facts, covenants and agreements in this Resolution and in the Series A Bonds constitute statements, covenants and agreements of the District, and the Paying Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of

this Resolution or of the Series A Bonds, nor shall incur any responsibility in respect thereof, other than as set forth in this Resolution. The Paying Agent is not liable in connection with the performance of its duties hereunder, except for its own negligence or willful default.

In the absence of bad faith, the Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Paying Agent and conforming to the requirements of this Resolution. The Paying Agent is not liable for any error of judgment made in good faith by a responsible officer of its corporate trust department in the absence of the negligence of the Paying Agent.

No provision of this Resolution requires the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it has reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Paying Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Paying Agent is not responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

SECTION 6.04. *Notice to Paying Agent.* The Paying Agent may rely and is protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Paying Agent may consult with counsel, who may be counsel to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Resolution the Paying Agent deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof is specifically prescribed in this Resolution) may, in the absence of bad faith on the part of the Paying Agent, be deemed to be conclusively proved and established by a certificate of the District, and such certificate shall be full warrant to the Paying Agent for any action taken or suffered under the provisions of this Resolution upon the faith thereof, but in its discretion the Paying Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

SECTION 6.05. *Compensation; Indemnification.* The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under Resolution. The District further agrees to indemnify the Paying Agent against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

ARTICLE VII

REMEDIES OF SERIES A BOND OWNERS

SECTION 7.01. *Remedies of Series A Bond Owners.* Any Series A Bond Owner has the right, for the equal benefit and protection of all Series A Bond Owners similarly situated:

- (a) by mandamus, suit, action or proceeding, to compel the District and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Resolution and in the Series A Bonds, and to require the carrying out of any or all such covenants and agreements of the District and the fulfillment of all duties imposed upon it;
- (b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Series A Bond Owners' rights; or
- (c) upon the happening and continuation of any default by the District hereunder or under the Series A Bonds, by suit, action or proceeding in any court of competent jurisdiction, to require the District and its members and employees to account as if it and they were the trustees of an express trust.

SECTION 7.02. *Remedies Not Exclusive.* No remedy herein conferred upon the Owners of Series A Bonds is exclusive of any other remedy. Each and every remedy is cumulative and may be exercised in addition to every other remedy given hereunder or thereafter conferred on the Series A Bond Owners.

SECTION 7.02. *Non-Waiver.* Nothing in this Article VII or in any other provision of this Resolution or in the Series A Bonds, affects or impairs the obligation of the District, which is absolute and unconditional, to pay the principal of and interest on the Series A Bonds to the respective Owners of the Series A Bonds at the respective dates of maturity, as herein provided, or affects or impairs the right of action against the District, which is also absolute and unconditional, of such Owners to institute suit against the District to enforce such payment by virtue of the contract embodied in the Series A Bonds.

A waiver of any default by any Series A Bond Owner shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner of any of the Series A Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Series A Bond Owners by this Article VII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners of the Series A Bonds.

If a suit, action or proceeding to enforce any right or exercise any remedy be abandoned or determined adversely to the Series A Bond Owners, the District and the

Series A Bond Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01. *Benefits of Resolution Limited to Parties.* Nothing in this Resolution, expressed or implied, gives any person other than the District, the County, the Paying Agent and the Owners of the Series A Bonds, any right, remedy, claim under or by reason of this Resolution. The covenants, stipulations, promises or agreements in this Resolution are for the sole and exclusive benefit of the Owners of the Series A Bonds.

SECTION 8.02. *Defeasance of Series A Bonds.*

(a) Discharge of Resolution. Any of all of the Series A Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable hereunder by the District:

- (i) by paying or causing to be paid the principal or redemption price of and interest on such Series A Bonds, as and when the same become due and payable;
- (ii) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 8.02(c) hereof) to pay or redeem such Series A Bonds; or
- (iii) by delivering such Series A Bonds to the Paying Agent for cancellation by it.

If the District pays all Outstanding Series A Bonds and also pays or causes to be paid all other sums payable hereunder by the District, then and in that case, at the election of the District (evidenced by a certificate of a District Representative filed with the Paying Agent, signifying the intention of the District to discharge all such indebtedness and this Resolution), and notwithstanding that any Series A Bonds have not been surrendered for payment, this Resolution and other assets made under this Resolution and all covenants, agreements and other obligations of the District under this Resolution shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 8.02(b). In that event, upon request of the District, the Paying Agent shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary to evidence such discharge and satisfaction, and the Paying Agent shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it under this Resolution which are not required for the payment or redemption of Series A Bonds not theretofore surrendered for such payment or redemption.

(b) Discharge of Liability on Series A Bonds. Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 8.02(c) hereof) to pay or redeem any Outstanding Series A Bond (whether upon or prior

to its maturity or the redemption date of such Series A Bond), provided that, if such Series A Bond is to be redeemed prior to maturity, notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice, then all liability of the District in respect of such Series A Bond shall cease and be completely discharged, except only that thereafter the Owner thereof shall be entitled only to payment of the principal of and interest on such Series A Bond by the District, and the District shall remain liable for such payment, but only out of such money or securities deposited with the Paying Agent as aforesaid for such payment, provided further, however, that the provisions of Section 8.02(d) shall apply in all events.

The District may at any time surrender to the Paying Agent for cancellation by it any Series A Bonds previously issued and delivered, which the District may have acquired in any manner whatsoever, and such Series A Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

(c) Deposit of Money or Securities with Paying Agent. Whenever in this Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent, or an escrow agent to be selected by the District, money or securities in the necessary amount to pay or redeem any Series A Bonds, the money or securities so to be deposited or held may include money or securities held by the Paying Agent in the funds and accounts established under this Resolution and shall be:

- (i) lawful money of the United States of America in an amount equal to the principal amount of such Series A Bonds and all unpaid interest thereon to maturity, except that, in the case of Series A Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or redemption price of such Series A Bonds and all unpaid interest thereon to the redemption date;
- (ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Series A Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Series A Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice; or
- (iii) Such amounts of money and investments in escrow or trust shall be in an amount which is certified by a certified public accountant to be sufficient to meet the requirements of Government Code Section 53558.

(d) Payment of Series A Bonds After Discharge of Resolution. Notwithstanding any provisions of this Resolution, any moneys held by the Paying Agent in trust for the

payment of the principal or redemption price of, or interest on, any Series A Bonds and remaining unclaimed for two years after the principal of all of the Series A Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Resolution), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Series A Bonds became due and payable, shall, upon request of the District, be repaid to the District free from the trusts created by this Resolution, and all liability of the Paying Agent with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the District as aforesaid, the Paying Agent may (at the cost of the District) first mail to the Owners of all Series A Bonds which have not been paid at the addresses shown on the Registration Books a notice in such form as may be deemed appropriate by the Paying Agent, with respect to the Series A Bonds so payable and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof. Thereafter, the District shall remain liable to the Owners for payment of any amounts due on the Series A Bonds, which amounts shall be deemed to be paid by the District from moneys remitted to it by the Paying Agent under this subsection (d).

SECTION 8.03. *Execution of Documents and Proof of Ownership by Series A Bond Owners.* Any request, declaration or other instrument which this Resolution may require or permit to be executed by Series A Bond Owners may be in one or more instruments of similar tenor, and shall be executed by Series A Bond Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Series A Bond Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Series A Bonds and the amount, maturity, number and date of holding the same shall be proved by the Registration Books.

Any request, declaration or other instrument or writing of the Owner of any Series A Bond shall bind all future Owners of such Series A Bond in respect of anything done or suffered to be done by the District or the Paying Agent in good faith and in accordance therewith.

SECTION 8.04. *Waiver of Personal Liability.* No Board member, officer, agent or employee of the District shall be individually or personally liable for the payment of the principal of or interest on the Series A Bonds; but nothing herein contained shall relieve any such Board member, officer, agent or employee from the performance of any official duty provided by law.

SECTION 8.05. *Limited Duties of County; Indemnification.* The County (including its officers, agents and employees) shall undertake only those duties of the County under this Resolution which are specifically set forth in this Resolution and in applicable

provisions of the Bond Law and the Education Code, and even during the continuance of an event of default with respect to the Series A Bonds, no implied covenants or obligations shall be read into this Resolution against the County (including its officers, agents and employees).

The District further agrees to indemnify, defend and save the County (including its officers, agents and employees) harmless against any and all liabilities, costs, expenses, damages and claims which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

SECTION 8.06. *Destruction of Canceled Series A Bonds.* Whenever in this Resolution provision is made for the surrender to the District of any Series A Bonds which have been paid or canceled under the provisions of this Resolution, a certificate of destruction duly executed by the Paying Agent shall be deemed to be the equivalent of the surrender of such canceled Series A Bonds and the District shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Series A Bonds therein referred to.

SECTION 8.07. *Partial Invalidity.* If any section, paragraph, sentence, clause or phrase of this Resolution shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Resolution. The District hereby declares that it would have adopted this Resolution and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Series A Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses, or phrases of this Resolution may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the District is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the District hereunder shall be assumed by and vest in the Assistant Superintendent, Business Services of the District in trust for the benefit of the Series A Bond Owners.

SECTION 8.08. *Execution of Documents.* Each District Representative and any and all other officers of the District are each authorized and directed in the name and on behalf of the District to execute and deliver any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Series A Bonds. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf if such officer is absent or unavailable.

SECTION 8.09. *Effective Date of Resolution.* This Resolution shall take effect from and after the date of its passage and adoption.

* * * * *

PASSED AND ADOPTED this 18th day of March, 2021, by the following vote:

AYES:

NOES:

ABSENT:

President
Board of Education

ATTEST:

Secretary
Board of Education

APPENDIX A**FORM OF SERIES A BOND**

REGISTERED BOND NO. _____ \$ _____

**PACIFIC GROVE UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BOND
ELECTION OF 2020,
SERIES A**

INTEREST RATE: MATURITY DATE: DATED DATE: CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The PACIFIC GROVE UNIFIED SCHOOL DISTRICT (the "District"), located in Monterey County (the "County"), for value received, hereby promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon, calculated on a 30/360 day basis, until the Principal Amount is paid or provided for, at the Interest Rate stated above, such interest to be paid on February 1 and August 1 of each year, commencing August 1, 2021 (the "Interest Payment Dates"). This Bond will bear interest from the Interest Payment Date next preceding the date of authentication hereof, unless (a) it is authenticated as of a business day following the 15th day of the month immediately preceding any Interest Payment Date and on or before such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) it is authenticated on or before July 15, 2021, in which event it will bear interest from the Dated Date set forth above.

Principal, interest and redemption premium (if any) are payable in lawful money of the United States of America to the person in whose name this Bond is registered (the "Registered Owner") on the Bond registration books maintained by the Paying Agent, initially U.S. Bank National Association. Principal hereof and any redemption premium hereon are payable upon presentation and surrender of this Bond at the office of the Paying Agent. Interest hereon is payable by check mailed by the Paying Agent on each Interest Payment Date to the Registered Owner of this Bond by first-class mail at the address appearing on the Bond registration books at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the "Record Date"); *provided, however*, that at the written request of the registered owner of Bonds in an aggregate principal amount of at least \$1,000,000, which written request is on file with the Paying Agent prior to any Record Date, interest on such Bonds shall be paid on each

succeeding Interest Payment Date by wire transfer in immediately available funds to such account of a financial institution within the United States of America as specified in such written request.

This Bond is one of a series of \$_____ of Bonds issued for the purpose of raising money to finance educational projects and facilities of the District in accordance with the ballot measure authorizing the issuance of the Bonds. The Bonds have been issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 53506 of said Code (the "Bond Law"), and under a resolution of the Board of Education of the District adopted on March 18, 2021 (the "Bond Resolution"). This Bond and the issue of which this Bond is a part are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.

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

The principal of and interest and redemption premium, if any, on this Bond does not constitute a debt of the County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents and employees thereof, and none of the County, the State of California, any of its political subdivisions, nor any of the officers, agents and employees thereof shall be liable hereon. In no event shall the principal of and interest and redemption premium, if any, on this Bond be payable out of any funds or properties of the District other than *ad valorem* taxes levied upon all taxable property in the District.

The Bonds of this issue are issuable only as fully registered Bonds in the denominations of \$5,000 or any integral multiple thereof. This Bond is exchangeable and transferable for Bonds of other authorized denominations at the office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. Any tax or governmental charges shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

The Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after August 1, 20__ are subject to redemption prior to maturity as a whole, or in part among maturities on such basis as designated by the District and by lot within a maturity, at the option of the District, from any available source of funds, on August 1, 20__, and on any date thereafter, at a redemption price equal to 100% of the principal amount of Series A Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption.

The Bonds maturing on August 1 in each of the years ____ and _____ are Term Bonds which are subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following tables, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption. If some but not all of the Term Bonds have been redeemed under the preceding paragraph, the aggregate principal amount of Term Bonds to be redeemed under this paragraph will be reduced on a pro rata basis in integral multiples of \$5,000, as designated under written notice filed by the District with the Paying Agent).

**Mandatory Sinking Fund Redemption of
Bonds Maturing August 1, ____**

Mandatory Sinking Fund Redemption Date (<u>August 1</u>)	Principal Amount <u>To be Redeemed</u>
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The Paying Agent shall give notice of the redemption of the Bonds at the expense of the District. Such notice shall specify: (a) that the Bonds or a designated portion thereof are to be redeemed, (b) the numbers and CUSIP numbers of the Bonds to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the redemption will be made, and (e) descriptive information regarding the Bonds including the dated date, interest rate and stated maturity date. Such notice shall further state that on the specified date there becomes due and payable upon each Bond to be redeemed, the portion of the principal amount of such Bond to be redeemed, together with interest accrued to said date, the redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue and be payable.

Notice of redemption shall be sent by first class mail, postage prepaid, to the District and the respective Owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books, in every case at least 20 days, but not more than 60 days, prior to the redemption date; provided that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Bonds. The District has the right under the Bond Resolution to rescind any such notice of optional redemption of the Bonds, under the circumstances set forth in the Bond Resolution

Neither the District nor the Paying Agent will be required to transfer any Bond (a) during the period established by the Paying Agent for selection of Bonds for redemption or (b) with respect to a Bond which has been selected for redemption.

It is certified, recited and declared that all acts and conditions required by the Constitution and laws of the State of California to exist, to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the Bonds has been

received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the Bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due, and for levying and collecting such taxes the full faith and credit of the District are hereby pledged.

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

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Fiscal Agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest in this Bond.

IN WITNESS WHEREOF, the Pacific Grove Unified School District has caused this Bond to be executed by the facsimile signature of the President of its Board of Education, and attested by the facsimile signature of the Secretary of its Board of Education, all as of the date stated above.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT

By _____
President
Board of Education

Attest:

Secretary
Board of Education

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the Bond Resolution referred to in this Bond.

Date of Authentication:

U.S. BANK NATIONAL ASSOCIATION,
as Paying Agent

By _____
Authorized Signatory

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

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

the within Bond and do(es) hereby irrevocably constitute and appoint _____
_____ attorney, to transfer the same on the registration books of the Bond Registrar, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

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

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

APPENDIX B**GOVERNMENT CODE SECTION 5852.1 DISCLOSURE**

The following information consists of estimates that have been provided by the District's Municipal Advisor, in good faith:

- (A) True interest cost of the Bonds: 2.790%
- (B) Finance charge of the Bonds (sum of all costs of issuance and fees/charges paid to third parties): \$222,000
- (C) Net proceeds to be received (net of finance charges, reserves and capitalized interest, if any): \$5,820,000
- (D) Total payment amount through maturity: \$7,602,266

NEW ISSUE - FULL BOOK-ENTRY
BANK QUALIFIED

RATING: S&P: “__”
See “RATING” herein.

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. The Bonds are “qualified tax-exempt obligations” within the meaning of section 265(b)(3) of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See “TAX MATTERS” herein.

\$6,000,000*
PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)
General Obligation Bonds
Election of 2020, Series A
(Bank Qualified)

Dated: Date of Delivery

Due: August 1, as shown on inside front cover

Authority and Purpose. The above-captioned Bonds are being issued by the Pacific Grove Unified School District pursuant to certain provisions of the California Government Code and a resolution of the Board of Education of the District adopted on March 18, 2021. The Bonds were authorized at an election of the registered voters of the District held on March 3, 2020, which authorized the issuance of \$30,000,000 principal amount of general obligation bonds for the purpose of financing the renovation, construction and improvement of school facilities. The Bonds are the first series of bonds to be issued under the 2020 Authorization. See “THE BONDS – Authority for Issuance” and “- Purpose of Issue” herein.

Security. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied on taxable property within the District and collected by Monterey County. The County Board of Supervisors is empowered and obligated to annually levy *ad valorem* taxes for the payment of interest on, and principal of, the Bonds upon all property subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates). The District has other series of general obligation bonds outstanding which are similarly secured by tax levies. See “SECURITY FOR THE BONDS.”

Book-Entry Only. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. Purchasers will not receive physical certificates representing their interests in the Bonds. See “THE BONDS” and APPENDIX F.

Payments. The Bonds are dated the date of delivery set forth below and accrue interest at the rates set forth on the inside cover page hereof, payable semiannually on each February 1 and August 1 until maturity, commencing August 1, 2021. Payments of principal of and interest on the Bonds will be paid by U.S. Bank National Association, as the designated paying agent, registrar and transfer agent, to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See “THE BONDS - Description of the Bonds.”

Redemption.* The Bonds are subject to redemption prior to maturity as described herein. See “THE BONDS – Redemption.”

Bond Insurance. The District has applied for bond insurance to guarantee the scheduled payment of principal of and interest on the Bonds, and will decide prior to the sale of the Bonds whether to purchase such insurance.

MATURITY SCHEDULE
(See inside cover)

Cover Page. This cover page contains certain information for general reference only. It is not a summary of all provisions of the Bonds. Prospective investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Bonds will be sold and awarded through a competitive bidding process to be held on April 6, 2021, as set forth in the Official Notice of Sale for the Bonds. The Bonds will be offered when, as and if issued, subject to the approval as to legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel to the District, and subject to certain other conditions. Jones Hall, A Professional Law Corporation is also serving as Disclosure Counsel to the District. It is anticipated that the Bonds will be available for delivery in book-entry form through the facilities of DTC on or about April 27, 2021*.

The date of this Official Statement is _____, 2021

*Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

MATURITY SCHEDULE*

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)
General Obligation Bonds
Election of 2020, Series A
(Bank Qualified)

Base CUSIP†: _____

\$_____ Serial Bonds

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP†</u>
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\$_____ % Term Bonds maturing August 1, 20__; Yield: __%; Price: ____;
 CUSIP†: ____

*Preliminary; subject to change.

†CUSIP Global Services, and a registered trademark of American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of American Bankers Association by S&P Capital IQ. Neither the District nor the Purchaser takes any responsibility for the accuracy of the CUSIP data.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)

BOARD OF EDUCATION

John Paff, *President*
Brian Swanson, *Clerk*
Cristy Dawson, *Member*
Carolyn Swanson, *Member*
Jon Walton, *Member*

DISTRICT ADMINISTRATION

Ralph Gomez Porras, *Superintendent*
Song Chin-Bendib, *Assistant Superintendent, Business Services*

PROFESSIONAL SERVICES

MUNICIPAL ADVISOR

Dale Scott & Company Inc.
San Francisco, California

BOND AND DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation
San Francisco, California

BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT

U.S. Bank National Association
San Francisco, California

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract between any bond owner and the District or the Purchaser.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by the District or the Purchaser to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Purchaser.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Information in Official Statement. The information set forth in this Official Statement has been furnished by the District and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness.

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced herein, the words or phrases “will likely result,” “are expected to”, “will continue”, “is anticipated”, “estimate”, “project,” “forecast”, “expect”, “intend” and similar expressions identify “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the District or any other entity described or referenced herein since the date hereof.

Involvement of Purchaser. The Purchaser has provided the following statement for inclusion in this Official Statement: The Purchaser has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Purchaser does not guarantee the accuracy or completeness of such information.

Stabilization of and Changes to Offering Prices. The Purchaser may over allot or take other steps that stabilize or maintain the market prices of the Bonds at levels above those that might otherwise prevail in the open market. If commenced, the Purchaser may discontinue such market stabilization at any time. The Purchaser may offer and sell the Bonds to certain securities dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Purchaser.

Document Summaries. All summaries of the Bond Resolution or other documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents, and do not purport to be complete statements of any or all of such provisions.

No Securities Laws Registration. The Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Bonds have not been registered or qualified under the securities laws of any state.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the District, the County, the other parties described in this Official Statement, or the condition of the property within the District since the date of this Official Statement.

Website. The District maintains a website. However, the information presented on the website is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

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FOR FISCAL YEAR 2019-20

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APPENDIX G - MONTEREY COUNTY INVESTMENT POLICY AND INVESTMENT REPORT

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\$6,000,000*
PACIFIC GROVE UNIFIED SCHOOL DISTRICT
 (Monterey County, California)
General Obligation Bonds
Election of 2020, Series A
 (Bank Qualified)

The purpose of this Official Statement, which includes the cover page, inside cover page and attached appendices, is to set forth certain information concerning the sale and delivery of the general obligation bonds captioned above (the “**Bonds**”) by Pacific Grove Unified School District (the “**District**”).

INTRODUCTION

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

The District. The District is comprised of an area of approximately 12 square miles located on the Monterey Peninsula and serves the City of Pacific Grove (the “**City**”) and an adjoining portion of the unincorporated area of Del Monte Forest in Monterey County (the “**County**”). The District currently operates two elementary schools, one middle school and one high school. The District also maintains a continuation high school, an adult education center, and three childcare centers. The 2020-21 enrollment in the District is approximately 1,902 students.

For more information regarding the District and its finances, see APPENDIX A and APPENDIX B attached hereto. See APPENDIX C hereto for demographic and other statistical information regarding the City and County.

COVID-19 Statement. The COVID-19 pandemic has resulted in a public health crisis that is fluid and unpredictable with financial and economic impacts that cannot be predicted. As such, investors are cautioned that the District cannot at this time predict the impacts that the COVID-19 pandemic may have on its operations and finances, property values in the District, and economic activity in the District, the State of California (the “**State**”) and the nation, among others. For more disclosure regarding the COVID-19 emergency, see “SECURITY FOR THE BONDS – COVID-19 Global Pandemic.” See also references to COVID-19 in the sections herein entitled “PROPERTY TAXATION”, and in APPENDIX A under the heading “STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS.”

Purpose of Issue. The net proceeds of the Bonds will be used to finance construction and improvements to facilities of the District, as approved by voters in the District at an election held on March 3, 2020 (the “**Bond Election**”). See “THE BONDS - Purpose of Issue” herein.

Authority for Issuance of the Bonds. Issuance of the Bonds was approved by more than the requisite 55% of the voters of the District voting at the Bond Election to authorize \$30 million of general obligation bonds, and will be issued pursuant to certain provisions of the Government Code

**Preliminary; subject to change.*

of the State and a resolution adopted by the Board of Education of the District on March 18, 2021 (the “**Bond Resolution**”). See “THE BONDS - Authority for Issuance” herein.

Description of the Bonds. The Bonds will be issued as current interest bonds. The Bonds will be dated their date of delivery (the “**Dated Date**”) and will be issued as fully registered bonds, without coupons, in the denominations of \$5,000 or any integral multiple thereof. The Bonds will mature on August 1 in the years indicated on the inside cover page hereof. The Bonds will accrue interest from the Dated Date, which is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2021. See “THE BONDS – Description of the Bonds” herein.

Payment and Registration of the Bonds. The Bonds will be issued in fully registered form only, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“**DTC**”), and will be available to actual purchasers of the Bonds (the “**Beneficial Owners**”) in the denominations set forth on the cover page hereof, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through participants in DTC’s book-entry only system (“**DTC Participants**”) as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. See APPENDIX F.

If the book-entry-only system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Bond Resolution. See “THE BONDS - Registration, Transfer and Exchange of Bonds” herein.

Security and Sources of Payment for the Bonds. The Bonds are general obligation bonds of the District payable solely from *ad valorem* property taxes levied on taxable property located in the District and collected by the County. The County is empowered and obligated to annually levy *ad valorem* taxes for the payment of interest on, and principal of, the Bonds upon all property subject to taxation by the District, without limitation of rate or amount (except with respect to certain personal property which is taxable at limited rates). See “SECURITY FOR THE BONDS.”

The impact that the current COVID-19 outbreak might have on the assessed valuation of property located in the District is uncertain at this time. See “PROPERTY TAXATION – Assessed Valuations” and “SECURITY FOR THE BONDS – COVID-19 Global Pandemic.”

Redemption.* The Bonds are subject to redemption prior to maturity as described herein. See “THE BONDS –Redemption.”

Legal Matters. Issuance of the Bonds is subject to the approving opinion of Jones Hall, A Professional Law Corporation, San Francisco, California (“**Bond Counsel**”), to be delivered in substantially the form attached hereto as APPENDIX D. Jones Hall, A Professional Law Corporation, San Francisco, California, will also serve as disclosure counsel to the District (“**Disclosure Counsel**”). Payment of the fees of Bond Counsel and Disclosure Counsel is contingent upon issuance of the Bonds.

Bond Insurance. The District has applied for bond insurance to guarantee the scheduled payment of principal of and interest on the Bonds and, if a commitment is issued to insure the Bonds, will determine

* Preliminary; subject to change.

Tax Matters; Bank Qualified. Assuming compliance with certain covenants and provisions of the Internal Revenue Code of 1986, in the opinion of Bond Counsel, interest on the Bonds will not be includable in gross income for federal income tax purposes although it may be includable in the calculation for certain taxes. Also, in the opinion of Bond Counsel, interest on the Bonds will be exempt from the State personal income taxes. The District has designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986. Such section provides an exception to the prohibition against the ability of a "financial institution" (as defined in the Internal Revenue Code of 1986) to deduct its interest expense allocable to tax-exempt interest. See "TAX MATTERS" and APPENDIX D hereto for the form of Bond Counsel's opinion to be delivered concurrently with the Bonds.

Continuing Disclosure. The District has covenanted and agreed that it will comply with and carry out all of the provisions of a continuing disclosure undertaking (the "**Continuing Disclosure Certificate**"), the form of which is attached as APPENDIX E. See "CONTINUING DISCLOSURE" for additional information.

Other Information. This Official Statement speaks only as of its date, and the information contained in this Official Statement is subject to change. Copies of documents referred to in this Official Statement, and information concerning the Bonds, are available from the District at 435 Hillcrest Avenue, Pacific Grove, California; telephone (831) 646-6520. The District may impose a charge for copying, mailing and handling.

END OF INTRODUCTION

THE BONDS

Authority for Issuance

The Bonds will be issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53506 thereof, and the Bond Resolution.

The District received authorization by more than the requisite 55% of District voters at the Bond Election to issue general obligation bonds in a principal amount of \$30,000,000 (the “**2020 Authorization**”). The Bonds are the first series of bonds issued pursuant to the 2020 Authorization. Following the issuance of the Bonds, there will be \$24,000,000 remaining under the 2020 Authorization.*

Purpose of Issue

Proceeds of the Bonds will be used for the purposes specified in the ballot measure approved by the District's voters on March 3, 2020, the abbreviated text of which appeared on the ballot as follows:

“To replace outdated plumbing/electrical systems, upgrade fire alarms and emergency communication systems; repair/replace roofs and modernize classrooms at schools throughout the district, shall the Pacific Grove Unified School District measure authorizing \$30 million of bonds be adopted with legal rates, yearly levies of less than 3 cents per \$100 of assessed valuation through approximately 2039 (generating an average of \$2.1 million dollars per year), annual audits, independent oversight and no estimated increase in current tax rates?”

In addition to the abbreviated statement of the ballot measure, as part of the sample ballot materials, in accordance with the requirements of California law, District voters were presented with a full text of ballot measure, which, among other items, included a project list identifying to District voters the types of projects eligible for funding from proceeds of bonds approved at the Bond Election (the “**Project List**”). The District makes no representation as to the specific application of the proceeds of the Bonds, the completion of any projects listed on the Project List, or whether bonds authorized by the 2020 Authorization will provide sufficient funds to complete any particular project listed in the Project List.

Description of the Bonds

The Bonds are being issued as current interest bonds. The Bonds mature in the years and in the amounts set forth on the inside cover page hereof. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing their interest in the Bonds. See “Book-Entry Only System” and APPENDIX F.

The Bonds shall be issued in the denominations of \$5,000 principal amount each or any integral multiple thereof. Interest on Bonds is payable semiannually on each February 1 and August 1, commencing August 1, 2021 (each, an “**Interest Payment Date**”). Each Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof

* Preliminary; subject to change.

unless (i) it is authenticated as of an Interest Payment Date, in which event it will bear interest from such date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the fifteenth (15th) day of the month preceding the Interest Payment Date (each, a “**Record Date**”), in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to July 15, 2021, in which event it will bear interest from the date of delivery of the Bonds identified on the cover page hereof. Notwithstanding the foregoing, if interest on any Bond is in default at the time of authentication thereof, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. Payments of principal of and interest on the Bonds will be paid by U.S. Bank National Association, as the designated paying agent, registrar and transfer agent (the “**Paying Agent**”) to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds.

Book-Entry Only System

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of DTC. Purchasers of the Bonds will not receive physical certificates representing their interest in the Bonds. Payments of principal of and interest on the Bonds will be paid by the Paying Agent to DTC for subsequent disbursement to DTC Participants which will remit such payments to the Beneficial Owners of the Bonds.

As long as DTC’s book-entry method is used for the Bonds, the Paying Agent will send any notice of prepayment or other notices to owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the prepayment of the Bonds called for prepayment or any other action premised on such notice. See APPENDIX F.

The Paying Agent, the District, and the Purchaser of the Bonds have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership, of interests in the Bonds.

Redemption*

Optional Redemption. The Bonds maturing on or before August 1, 20__ are not subject to redemption prior to maturity. The Bonds maturing on or after August 1, 20__ are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 20__, or on any date thereafter, at a price equal to 100% of the principal amount thereof, without premium, together with accrued interest thereon to the redemption date.

Whenever less than all of the outstanding Bonds of any one maturity are designated for redemption, the Paying Agent will select the outstanding Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For the purpose of selection for optional redemption, Bonds will be deemed to consist of \$5,000 portions (principal amount), and any such portion may be separately redeemed. The Bonds may all be separately redeemed.

Mandatory Sinking Fund Redemption. The Bonds maturing on August 1, 20__ (the “**Term Bonds**”), are subject to mandatory sinking fund redemption on August 1 of each year in accordance

**Preliminary; subject to change.*

with the schedules set forth below. The Term Bonds so called for mandatory sinking fund redemption will be redeemed in the sinking fund payments amounts and on the dates set forth below, without premium.

Term Bonds Maturing August 1, 20__

Redemption Date (August 1)	Sinking Fund Redemption
---------------------------------------	------------------------------------

If any Term Bonds are redeemed pursuant to optional redemption, the total amount of all future sinking fund payments with respect to such Term Bonds shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of \$5,000 principal amount (or on such other basis as the District may determine) as set forth in written notice given by the District to the Paying Agent.

Notice of Redemption

The Paying Agent shall give notice of the redemption of the Bonds at the expense of the District to be mailed, first class, postage prepaid, at least 20 but not more than 60 days prior to the date fixed for redemption, to the owners of the Bonds designated for redemption. Such notice shall specify: (a) that the Bonds or a designated portion thereof are to be redeemed, (b) the numbers and CUSIP numbers of the Bonds to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the redemption will be made, and (e) descriptive information regarding the Bonds including the dated date, interest rate and stated maturity date. Such notice shall further state that on the specified date there shall become due and payable upon each Bond to be redeemed, the portion of the principal amount of such Bond to be redeemed, together with interest accrued to said date, the redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue and be payable. Such notice may be a conditional notice of redemption and subject to rescission as set forth below.

Neither the failure to receive or failure to send any notice of redemption nor any defect in any such redemption notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds.

Partial Redemption of Bonds

Upon surrender of Bonds redeemed in part only, the District will execute and the Paying Agent will authenticate and deliver to the owner, at the expense of the District, a new Bond or Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

Effect of Redemption

From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption have been duly provided, such Bonds so called will cease to be entitled to any benefit under the Bond Resolution, other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice.

Right to Rescind Notice of Redemption

The District has the right to rescind any notice of the optional redemption of Bonds by written notice to the Paying Agent on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption. The District and the Paying Agent have no liability to the Bond owners or any other party related to or arising from such rescission of redemption. The Paying Agent shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under the Bond Resolution.

Registration, Transfer and Exchange of Bonds

If the book entry system is discontinued, the District shall cause the Paying Agent to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of the Bonds.

If the book entry system is discontinued, the person in whose name a Bond is registered on the Bond registration books shall be regarded as the absolute owner of that Bond. Payment of the principal of and interest on any Bond shall be made only to or upon the order of that person; neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in the Bond Resolution.

Bonds may be exchanged at the principal corporate trust office of the Paying Agent in San Francisco, California for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. Any Bond may, in accordance with its terms, but only if (i) the District determines to no longer maintain the book entry only status of the Bonds, (ii) DTC determines to discontinue providing such services and no successor securities depository is named or (iii) DTC requests the District to deliver Bond certificates to particular DTC Participants, be transferred, upon the books required to be kept pursuant to the provisions of the Bond Resolution, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

No exchanges of Bonds shall be required to be made (a) fifteen days prior to an Interest Payment Date or the date established by the Paying Agent for selection of Bonds for redemption until the close of business on the Interest Payment Date or day on which the applicable notice of redemption is given or (b) with respect to a Bond after such Bond has been selected or called for redemption in whole or in part.

Defeasance and Discharge of Bonds

The Bonds may be paid by the District, in whole or in part, in any one or more of the following ways:

- (a) by paying or causing to be paid the principal or redemption price of and interest on such Bonds, as and when the same become due and payable;
- (b) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in the Bond Resolution) to pay or redeem such Bonds; or
- (c) by delivering such Bonds to the Paying Agent for cancellation by it.

Whenever in the Bond Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may be held by the Paying Agent or by any other fiduciary. Such money or securities may include money or securities held by the Paying Agent in the funds and accounts established under the Bond Resolution and will be:

- (i) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption is given as provided in the Bond Resolution or provision satisfactory to the Paying Agent is made for the giving of such notice, the amount to be deposited or held will be the principal amount or redemption price of such Bonds and all unpaid interest thereon to the redemption date; or
- (ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption is given as provided in the Bond Resolution or provision satisfactory to the Paying Agent is made for the giving of such notice.

Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as described above) to pay or redeem any outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), then all liability of the County and the District in respect of such Bond will cease and be completely discharged, except only that thereafter the owner thereof will be entitled only to payment of the principal of and interest on such Bond by the District, and the District will remain liable for such payment, but only out of such money or securities deposited with the Paying Agent for such payment.

“Federal Securities” means: United States Treasury notes, bonds, bills or certificates of indebtedness, or any other obligations the timely payment of which is directly or indirectly guaranteed by the faith and credit of the United States of America.

DEBT SERVICE SCHEDULES

The Bonds. The following table shows the annual debt service schedule with respect to the Bonds, assuming no optional redemptions.

Pacific Grove Unified School District General Obligation Bonds Election of 2020, Series A Debt Service Schedule

Bond Year Ending (August 1)	Principal	Interest	Total Annual Debt Service
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
TOTAL			

Combined General Obligation Bonds. The following table shows the combined annual debt service schedule with respect to all outstanding general obligation bonds of the District secured by *ad valorem* taxes, assuming no optional redemptions. See APPENDIX A – “DISTRICT FINANCIAL INFORMATION - Existing Debt Obligations” for additional information.

**PACIFIC GROVE UNIFIED SCHOOL DISTRICT
Combined Debt Service Schedule**

Period Ending (Aug.1)	2006 Series E Bonds	2011 Refunding Bonds	2014 Series B Ed Tech Bonds	2015 Series A Refunding Bonds	2015 Series B Refunding Bonds	2016 Refunding Bonds	2017 Refunding Bonds	2014 Series C Ed Tech Bonds ⁽¹⁾	The Bonds	Total Debt Service
2021	\$929,608.20	\$197,600.00	\$264,454.05	\$452,850.00	\$281,400.00	\$707,000.00	\$665,268.76	\$1,499,551.55		
2022	980,790.70	--	--	440,850.00	283,800.00	970,800.00	872,868.76	641,575.05		
2023	1,037,714.70	--	--	445,850.00	283,800.00	1,044,000.00	881,668.76	--		
2024	1,069,879.20	--	--	444,850.00	287,500.00	1,293,800.00	874,268.76	--		
2025	1,113,286.20	--	--	453,100.00	280,900.00	1,296,550.00	881,268.76	--		
2026	884,184.20	--	--	445,100.00	284,300.00	1,302,550.00	892,068.76	--		
2027	--	--	--	451,600.00	262,400.00	1,286,550.00	887,868.76	--		
2028	--	--	--	445,800.00	263,800.00	1,299,550.00	896,668.76	--		
2029	--	--	--	424,600.00	269,800.00	1,035,050.00	899,068.76	--		
2030	--	--	--	223,600.00	270,200.00	1,326,800.00	900,268.76	--		
2031	--	--	--	--	265,200.00	1,316,400.00	905,268.76	--		
2032	--	--	--	--	--	1,594,800.00	718,868.76	--		
2033	--	--	--	--	--	1,595,600.00	599,968.76	--		
2034	--	--	--	--	--	1,604,400.00	604,068.76	--		
2035	--	--	--	--	--	1,610,800.00	607,568.76	--		
2036	--	--	--	--	--	1,609,800.00	610,468.76	--		
2037	--	--	--	--	--	1,296,600.00	67,031.26	--		
2038	--	--	--	--	--	643,600.00	--	--		
2039	--	--	--	--	--	644,800.00	--	--		
TOTAL	\$6,015,463.20	\$197,600.00	\$264,454.05	\$4,228,200.00	\$3,033,100.00	\$22,834,650.00	\$12,764,531.42	\$2,141,126.60		

(1) Private placement.

SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Bonds are as follows:

Sources of Funds

Principal Amount of Bonds

[Net] Original Issue [Premium]/[Discount] _____

Total Sources

Uses of Funds

Building Fund

Debt Service Fund

Costs of Issuance ⁽¹⁾ _____

Total Uses

(1) All estimated costs of issuance including, but not limited to, Purchaser's discount, printing costs, and fees of Bond Counsel, Disclosure Counsel, the Municipal Advisor, the Paying Agent, premium for the Policy (if any) and the rating agency.

SECURITY FOR THE BONDS

Ad Valorem Taxes

Bonds Payable from Ad Valorem Property Taxes. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied on taxable property within the District and collected by the County. The County is empowered and is obligated to annually levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates).

Other Debt Payable from Ad Valorem Property Taxes. In addition to the Bonds, there is other debt issued by the District and other entities with jurisdiction in the District, which is payable from *ad valorem* taxes levied on parcels in the District. See “PROPERTY TAXATION – Tax Rates” and “- Direct and Overlapping Debt” below.

Levy and Collection. The County will levy and collect such *ad valorem* taxes in such amounts and at such times as is necessary to ensure the timely payment of debt service. Such taxes, when collected, will be deposited into a debt service fund for the Bonds, which is maintained by the County and which is irrevocably pledged for the payment of principal of and interest on the Bonds when due.

District property taxes are assessed and collected by the County in the same manner and at the same time, and in the same installments as other *ad valorem* taxes on real property, and will have the same priority, become delinquent at the same times and in the same proportionate amounts, and bear the same proportionate penalties and interest after delinquency, as do the other *ad valorem* taxes on real property.

Statutory Lien on Ad Valorem Tax Revenues. In accordance with Section 53515 of the California Government Code, the Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the *ad valorem* tax imposed to service the Bonds. This lien automatically arises without the need for any action or authorization by the District or the Board. The revenues received pursuant to the levy and collection of the *ad valorem* tax shall be immediately subject to the lien, and the lien shall immediately attach to the revenues and be effective, binding, and enforceable against the District, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any further act.

Annual Tax Rates. The amount of the annual *ad valorem* tax levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rate to fluctuate.

Natural Disasters. Economic and other factors beyond the District’s control, such as economic recession, outbreak of a pandemic, deflation of property values, a relocation out of the District or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, fire or other natural disaster, could cause a reduction in the assessed value within the District and necessitate a corresponding increase in the annual tax rate. See “PROPERTY TAXATION –

Assessed Valuations – Factors Relating to Increases/Decreases in Assessed Value.” See also “— COVID-19 Global Pandemic.”

Building Fund

The proceeds from the sale of the Bonds, to the extent of the principal amount thereof, will be paid to the County to the credit of the fund created and established in the Bond Resolution and known as the “Pacific Grove Unified School District, Election of 2020, Series A Building Fund” (the “**Building Fund**”), which will be accounted for as separate and distinct from all other District and County funds. The proceeds will be used solely for the purposes for which the Bonds are being issued and for payment of permissible costs of issuance. Any excess proceeds of the Bonds not needed for the authorized purposes for which the Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of principal of and interest on the Bonds. If, after payment in full of the Bonds, there remains excess proceeds, any such excess amounts shall be transferred to the general fund of the District. Interest earnings on the investment of monies held in the Building Fund will be retained in the Building Fund.

Debt Service Fund

Amounts to pay debt service on the Bonds will be held in the fund created and established in the Bond Resolution and known as the “Pacific Grove Unified School District, Election of 2020, Series A Debt Service Fund” (the “**Debt Service Fund**”) for the Bonds, which will be established as a separate fund to be maintained distinct from all other funds of the County. All taxes levied by the County for the payment of the principal of and interest and premium (if any) on the Bonds will be deposited in the Debt Service Fund by the County promptly upon the receipt. The Debt Service Fund is pledged for the payment of the principal of and interest and premium (if any) on the Bonds when and as the same become due. The County will transfer amounts in the Debt Service Fund to the Paying Agent to the extent necessary to pay the principal of and interest and premium (if any) on the Bonds as the same becomes due and payable.

If, after payment in full of the Bonds, any amounts remain on deposit in the Debt Service Fund, the County shall transfer such amounts to the District’s general fund, to be applied solely in a manner which is consistent with the requirements of applicable state and federal tax law.

Not a County Obligation

The Bonds are payable solely from the proceeds of an *ad valorem* tax levied and collected by the County, for the payment of principal and interest on the Bonds. Although the County is obligated to collect the *ad valorem* tax for the payment of the Bonds, the Bonds are not a debt of the County.

COVID-19 Global Pandemic

Background. The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus (“**COVID-19**”), which was first detected in China and has spread to other countries, including the United States, was declared a pandemic by the World Health Organization, a national emergency by the President of the United States (the “**President**”) and a state of emergency by the Governor of the State (the “**Governor**”). There has been tremendous volatility in the markets in the United States and globally, resulting in the onset of a national and global recession.

The President's declaration of a national emergency on March 13, 2020 made available more than \$50 billion in federal resources to combat the spread of the virus. A multi-billion-dollar relief package was signed into law by the President on March 18, 2020, providing for Medicaid expansion, unemployment benefits and paid emergency leave during the crisis. In addition, the Federal Reserve lowered its benchmark interest rate to nearly zero, introduced a large bond-buying program and established emergency lending programs to banks and money market mutual funds.

On March 27, 2020, the United States Congress passed a \$2 trillion relief package, referred to as the Coronavirus Aid, Relief, and Economic Security Act (the "**CARES Act**"). The package includes direct payments to taxpayers, jobless benefits, assistance to hospitals and healthcare systems, \$367 billion for loans to small businesses, a \$500 billion fund to assist distressed large businesses, including approximately \$30 billion to provide emergency grants to educational institutions and local educational agencies. This funding allocation includes approximately \$13.5 billion in formula funding to make grants available to each state's educational agency in order to facilitate K-12 schools' responses to the COVID-19 crisis.

On April 9, 2020, the Federal Reserve took additional actions to provide up to \$2.3 trillion in loans to support the economy, including supplying liquidity to participating financial institutions in the SBA's Paycheck Protection Program, purchasing up to \$600 billion in loans through the Main Street Lending Program and offering up to \$500 billion in lending to states and municipalities.

On April 24, 2020, an additional \$484 billion federal aid package was signed, to provide additional funding for the local program for distressed small businesses and to provide funds for hospitals and COVID-19 testing. The legislation adds \$310 billion to the Paycheck Protection Program, increases the small business emergency grant and loan program by \$60 billion, and directs \$75 billion to hospitals and \$25 billion to a new COVID-19 testing program.

At the State level, on March 15, 2020, the Governor ordered the closing of California bars and nightclubs, the cancellation of gatherings of more than 250 and confirmed continued funding for school districts that close under certain conditions. On March 16, 2020, the State legislature passed \$1.1 billion in general purpose spending authority for emergency funds to respond to the Coronavirus crisis. On March 19, 2020, Governor Newsom issued Executive Order N-33-20, a blanket shelter-in-place order, ordering all California residents to stay home except for certain necessities and other essential purposes. On August 28, 2020, the Governor released a new system called "Blueprint for a Safer California," which places the State's 58 counties into four color-coded tiers – purple, red, orange, and yellow, in descending order of severity – based on the number of new daily cases of COVID-19 and the percentage of positive tests. The County is currently in the purple tier, which is the most restrictive.

Due to an increase in the case rates and hospitalizations due to COVID-19, the Governor announced a new stay-at home order (the "**Regional Stay-at-Home Order**") effective December 5, 2020, triggered by intensive care unit capacity dropping below 15% in a given region. The Regional Stay-at-Home Order temporarily superseded the Blueprint for a Safer Economy regulations, but was lifted on January 25, 2021.

The COVID-19 outbreak is ongoing, and the ultimate geographic spread of the virus, the duration and severity of the outbreak, the economic impacts and actions that may be taken by governmental authorities to contain the outbreak or to treat its impacts are uncertain and cannot be predicted. Additional information with respect to events surround the outbreak of COVID-19 and responses thereto can be found on State and local government websites, including but not limited to: the Governor's office (<http://www.gov.ca.gov>) and the California Department of Public Health

(<https://covid19.ca.gov/>). *The District has not incorporated by reference the information on such websites, and the District does not assume any responsibility for the accuracy of the information on such websites.*

Impacts of COVID-19 Pandemic on Global and Local Economies Cannot be Predicted; Potential Declines in State and Local Revenues. The COVID-19 public health emergency will have negative impacts on global and local economies, including the economy of the State and in the region of the District. The extent and duration of the COVID-19 emergency is currently unknown, and the reach of its impacts uncertain.

The State's revenue sources are anticipated to be materially impacted by the COVID-19 pandemic, including with respect to reductions in personal income tax receipts and capital gains tax receipts. Economic uncertainty caused by the outbreak will significantly affect California's near-term fiscal outlook, with a likely recession due to pullback in activity across wide swaths of the economy. For more detail regarding the State's current budget, and related reports and outlooks, see Appendix A under the heading "STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS."

In addition, in an attempt to mitigate the effects of the COVID-19 pandemic on State property taxpayers, on May 6, 2020, the Governor signed an executive order suspending penalties, costs or interest for the failure to pay secured or unsecured property taxes, or to pay a supplemental bill, before the date that such taxes become delinquent. See "PROPERTY TAXATION – Property Tax Collection Procedures – Waiver of State Laws Relating to Penalties for Non-Payment of Property Taxes."

Impacts on California School Districts. State law allows school districts to apply for a waiver to hold them harmless from the loss of State apportionment funding based on attendance and state instructional time penalties when they are forced to close schools due to emergency conditions. In addition, on March 13, 2020, Governor Newsom signed Executive Order N-26-20 which provides for continued State funding to school districts to support distance learning or independent study, providing subsidized school meals to low-income students, continuing payment for school district employees, and, to the extent practicable, providing for attendance calculations supervision of students during school hours, notwithstanding legal provisions to the contrary. Senate Bill 117 ("**SB 117**") was passed on March 17, 2020, addressing attendance issues and instructional hour requirements, among other items, and effectively holds schools harmless from incurring funding losses that could result from these issues under existing funding formulas. For more information about education funding formulas in California, see Appendix A under the heading "DISTRICT FINANCIAL INFORMATION – Education Funding Generally."

Under the State's "Blueprint for a Safer California," counties must spend at least three weeks in each tier before advancing to the next one. The County is currently assigned to the purple tier, which is the most restrictive tier.

For more information about how the District has responded to the COVID-19 emergency and the District's current assessment of the impact of the COVID-19 emergency on its finances, see APPENDIX A under the heading "DISTRICT GENERAL INFORMATION – District's Response to COVID-19 Emergency."

Impacts of COVID-19 Emergency Uncertain. The possible impacts that the COVID-19 emergency might have on the District's finances, programs, credit ratings on its debt obligations, local property values and the economy in general are uncertain at this time. In addition, there may be unknown consequences of the COVID-19 emergency, which the District is unable to predict.

General Obligation Bonds Secured by Ad Valorem Tax Revenues. Notwithstanding the impacts the COVID-19 emergency may have on the economy in the State, the County and the District or on the District's general purpose revenues, the Bonds described herein are voter-approved general obligations of the District payable solely from the levy and collection of *ad valorem* property taxes, unlimited as to rate or amount, and are not payable from the general fund of the District. The District cannot predict the impacts that the Coronavirus emergency might have on local property values or tax collections. See "SECURITY FOR THE BONDS – *Ad Valorem* Taxes" and "PROPERTY TAXATION – Teeter Plan; Property Tax Collections" herein.

PROPERTY TAXATION

Property Tax Collection Procedures

In California, property subject to *ad valorem* taxes is classified as "secured" or "unsecured." The "secured roll" is that part of the assessment roll containing state assessed public utilities' property and real property, the taxes on which create a lien on such property sufficient, in the opinion of the county assessor, to secure payment of the taxes. A tax levied on unsecured property does not become a lien against such unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens arising pursuant to State law on such secured property, regardless of the time of the creation of the other liens. Secured and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition, property on the secured roll with respect to which taxes are delinquent is declared tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the County.

Property taxes are levied for each fiscal year on taxable real and personal property situated in the taxing jurisdiction as of the preceding January 1. However, Senate Bill 813 (enacted by Statutes of 1983, Chapter 498) ("**SB 813**"), provided for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Thus, this legislation eliminated delays in the realization of increased property taxes from new assessments. As amended, SB813 provided increased revenue to taxing jurisdictions to the extent that supplemental assessments of new construction or changes of ownership occur subsequent to the January 1 lien date and result in increased assessed value.

Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent, if unpaid on the following August 31. A 10% penalty is also attached to delinquent taxes in respect of property on the unsecured roll, and further, an additional penalty of 1.5% per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the county recorder's office, in order to obtain a lien on certain property of

the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes in respect of property on the secured roll is the sale of the property securing the taxes for the amount of taxes which are delinquent.

Waiver of State Laws Relating to Penalties for Non-Payment of Property Taxes. In an attempt to mitigate the effects of the COVID-19 pandemic on State property taxpayers, on May 6, 2020, the Governor signed Executive Order N-61-20 (“**Order N-61-20**”). Under Order N-61-20, certain provisions of the State Revenue and Taxation Code are suspended until May 6, 2021 to the extent said provisions require a tax collector to impose penalties, costs or interest for the failure to pay secured or unsecured property taxes, or to pay a supplemental bill, before the date that such taxes become delinquent. Said penalties, costs and interest shall be cancelled under the conditions provided for in Order N-61-20, including if the property is residential real property occupied by the taxpayer or the real property qualifies as a small business under certain State laws, the taxes were not delinquent prior to March 4, 2020, the taxpayer files a claim for relief with the tax collector, and the taxpayer demonstrates economic hardship or other circumstances that have arisen due to the COVID-19 pandemic or due to a local, state, or federal governmental response to COVID-19. The impacts the waiver of penalties, costs or interest on delinquent property taxes under the circumstances described in Order N-61-20 have on property tax revenues are unknown at this time. For information about the County’s current distribution of property taxes, see below under the heading “-Tax Levies and Delinquencies.”

Disclaimer Regarding Property Tax Collection Procedures. The property tax collection procedures described above are subject to amendment based on legislation or executive order, including Order N-61-20, which may be enacted by the State legislature or declared by the Governor from time to time. The District cannot predict changes in law or orders of State officials that might occur in the future, particularly with regard to actions that might be taken in an attempt to mitigate the impacts of the COVID-19 pandemic.

Taxation of State-Assessed Utility Property

The State Constitution provides that most classes of property owned or used by regulated utilities be assessed by the State Board of Equalization (“**SBE**”) and taxed locally. Property valued by the SBE as an operating unit in a primary function of the utility taxpayer is known as “unitary property”, a concept designed to permit assessment of the utility as a going concern rather than assessment of each individual element of real and personal property owned by the utility taxpayer. State-assessed unitary and “operating nonunitary” property (which excludes nonunitary property of regulated railways) is allocated to the counties based on the situs of the various components of the unitary property. Except for certain other excepted property, all unitary and operating nonunitary property is taxed at special county-wide rates and tax proceeds are distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year.

Assessed Valuation

The assessed valuation of property in the District is established by the assessor of the County, except for public utility property which is assessed by the State Board of Equalization, as described above. Assessed valuations are reported at 100% of the “full value” of the property, as defined in Article XIII A of the California Constitution. For a discussion of how properties currently are assessed, see APPENDIX A under the heading “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS.”

Certain classes of property, such as churches, colleges, not-for-profit hospitals, and charitable institutions, are exempt from property taxation and do not appear on the tax rolls.

Assessed Valuation History. The table below shows a recent history of the District's assessed valuation.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
Assessed Valuation
Fiscal Years 2005-06 through 2020-21

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2005-06	\$3,259,218,850	\$816,598	\$40,613,650	\$3,300,649,098	--
2006-07	3,568,379,492	735,127	40,021,425	3,609,136,044	9.4%
2007-08	3,805,411,435	361,447	41,255,656	3,847,028,538	6.2
2008-09	3,999,831,065	593,973	46,411,719	4,046,836,757	5.2
2009-10	4,029,754,173	593,715	42,837,900	4,073,185,788	0.7
2010-11	3,927,213,867	594,668	41,708,699	3,969,517,234	(2.6)
2011-12	3,984,292,114	596,790	38,755,771	4,023,644,675	1.4
2012-13	4,074,074,558	585,959	38,799,288	4,133,459,805	2.7
2013-14	4,251,732,172	585,959	30,080,587	4,291,398,718	3.8
2014-15	4,409,325,891	585,959	40,536,328	4,450,448,178	3.7
2015-16	4,665,890,432	585,959	42,494,107	4,708,970,498	5.8
2016-17	4,965,635,987	1,671,275	43,867,327	5,011,174,589	6.4
2017-18	5,253,431,679	1,671,275	45,495,300	5,300,598,254	5.8
2018-19	5,601,156,073	1,671,275	46,043,385	5,648,870,733	6.6
2019-20	5,934,772,228	1,671,275	48,585,710	5,985,029,213	5.6
2020-21	6,253,108,211	0	49,336,556	6,302,444,767	5.3

Source: California Municipal Statistics, Inc.

Factors Relating to Increases/Decreases in Assessed Value. As indicated in the previous table, assessed valuations are subject to change in each year. Increases or decreases in assessed valuation result from a variety of factors including but not limited to general economic conditions, supply and demand for real property in the area, government regulations such as zoning, and natural disasters such as earthquakes, fires, floods and droughts.

In addition, wildfires have occurred in recent years in different regions of the State, and related flooding and mudslides have also occurred. The most destructive of the recent wildfires, which have burned thousands of acres and destroyed thousands of homes and structures, have originated in wildlands adjacent to urban areas. Although the recent natural disasters do not include territory within the District's boundaries, the District cannot predict or make any representations regarding the effects that wildfires, flooding, mudslides or any other natural disasters and related conditions have or may have on the value of taxable property within the District, or to what extent the effects said disasters might have had on economic activity in the District or throughout the State.

The District cannot predict or make any representations regarding the effects that natural disasters and related conditions have or may have on the value of taxable property within the District, or to what extent the effects said disasters might have had on economic activity in the District or throughout the State. See also "SECURITY FOR THE BONDS –COVID-19 Global Pandemic."

Property Tax Base Transfer Ballot Measure. On November 3, 2020, State voters approved a constitutional amendment entitled Property Tax Transfers, Exemptions and Revenue for Wildfire Agencies and Counties Amendment ("Proposition 19"), which will: (i) expand special rules

that give property tax savings to homeowners that are over the age of 55, severely disabled, or whose property has been impacted by a natural disaster or contamination, when they buy a different home; (ii) narrow existing special rules for inherited properties; and (iii) broaden the scope of legal entity ownership changes that trigger reassessment of properties. The District cannot make any assurance as to what effect the implementation of Proposition 19 will have on assessed valuation of real property in the District.

Assessed Valuation By Jurisdiction. The following table sets forth assessed valuation in the District by jurisdiction.

**PACIFIC GROVE UNIFIED SCHOOL DISTRICT
2020-21 Assessed Valuation by Jurisdiction**

Jurisdiction:	Assessed Valuation in School District	% of School District	Assessed Valuation of Jurisdiction	% of Jurisdiction in School District
City of Pacific Grove	\$3,869,760,986	61.40%	\$3,869,760,986	100.00%
Unincorporated Monterey County	<u>2,432,683,781</u>	<u>38.60</u>	\$36,881,442,727	6.60%
Total District	\$6,302,444,767	100.00%		
Monterey County	\$6,302,444,767	100.00%	\$74,063,477,739	8.51%

Source: California Municipal Statistics, Inc.

Assessed Valuation by Land Use. The following table shows the land use of property in the District, as measured by assessed valuation and the number of parcels for fiscal year 2020-21. As shown, the majority of the District's assessed valuation is represented by residential property.

**PACIFIC GROVE UNIFIED SCHOOL DISTRICT
Local Secured Property Assessed Valuation and Parcels by Land Use
Fiscal Year 2020-21**

	2020-21 Assessed Valuation ⁽¹⁾	% of Total	No. of Parcels	% of Total
Non-Residential:				
Commercial	\$262,858,773	4.20%	319	3.38%
Vacant Commercial	1,803,565	0.03	12	0.13
Industrial	12,302,558	0.20	6	0.06
Recreational/Golf Resort	420,885,976	6.73	52	0.55
Government/Social/Institutional	8,425,369	0.13	156	1.65
Miscellaneous/Water Company	<u>33,095,654</u>	<u>0.53</u>	<u>54</u>	<u>0.57</u>
Subtotal Non-Residential	\$739,371,895	11.82%	599	6.35%
Residential:				
Single Family Residence	\$4,630,569,042	74.05%	6,223	65.96%
Condominium/Townhouse	422,025,994	6.75	413	4.38
Mobile Home	4,345,211	0.07	60	0.64
Mobile Home Park	24,461,521	0.39	2	0.02
2-4 Residential Units	196,604,709	3.14	389	4.12
5+ Residential Units/Apartments	209,869,626	3.36	103	1.09
Timeshare	3,049,366	0.05	1,559	16.53
Vacant Residential	<u>22,810,847</u>	<u>0.36</u>	<u>86</u>	<u>0.91</u>
Subtotal Residential	\$5,513,736,316	88.18%	8,835	93.65%
Total	\$6,253,108,211	100.00%	9,434	100.00%

(1) Local secured assessed valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Assessed Valuation of Single Family Residential Parcels. The following table shows a breakdown of the assessed valuations of improved single-family residential parcels in the District for fiscal year 2020-21, including the median and average assessed value of single family parcels in the District.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
Per Parcel Assessed Valuation of Single Family Homes
Fiscal Year 2020-21

	<u>No. of Parcels</u>	<u>2019-20 Assessed Valuation</u>	<u>Average Assessed Valuation</u>	<u>Median Assessed Valuation</u>
Single Family Residential	6,223	\$4,630,569,042	\$744,106	\$606,900

<u>2019-20 Assessed Valuation</u>	<u>No. of Parcels (1)</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>	<u>Total Valuation</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>
\$0 - \$99,999	677	10.879%	10.879%	\$ 43,880,777	0.948%	0.948%
\$100,000 - \$199,999	572	9.192	20.071	81,328,893	1.756	2.704
\$200,000 - \$299,999	485	7.794	27.864	121,439,019	2.623	5.327
\$300,000 - \$399,999	484	7.778	35.642	169,346,641	3.657	8.984
\$400,000 - \$499,999	463	7.440	43.082	208,695,796	4.507	13.491
\$500,000 - \$599,999	392	6.299	49.381	216,699,441	4.680	18.170
\$600,000 - \$699,999	452	7.263	56.645	293,692,044	6.342	24.513
\$700,000 - \$799,999	488	7.842	64.487	365,281,146	7.888	32.401
\$800,000 - \$899,999	433	6.958	71.445	366,841,597	7.922	40.323
\$900,000 - \$999,999	321	5.158	76.603	303,914,094	6.563	46.887
\$1,000,000 - \$1,099,999	257	4.130	80.733	269,936,623	5.829	52.716
\$1,100,000 - \$1,199,999	178	2.860	83.593	204,891,476	4.425	57.141
\$1,200,000 - \$1,299,999	177	2.844	86.437	221,289,921	4.779	61.920
\$1,300,000 - \$1,399,999	111	1.784	88.221	149,303,966	3.224	65.144
\$1,400,000 - \$1,499,999	137	2.202	90.423	198,164,876	4.279	69.424
\$1,500,000 - \$1,599,999	91	1.462	91.885	140,889,946	3.043	72.466
\$1,600,000 - \$1,699,999	68	1.093	92.978	112,431,060	2.428	74.894
\$1,700,000 - \$1,799,999	52	0.836	93.813	91,112,028	1.968	76.862
\$1,800,000 - \$1,899,999	48	0.771	94.585	88,260,201	1.906	78.768
\$1,900,000 - \$1,999,999	42	0.675	95.260	82,026,822	1.771	80.539
\$2,000,000 and greater	<u>295</u>	<u>4.740</u>	100.000	<u>901,142,675</u>	<u>19.461</u>	100.000
	6,223	100.000%		\$4,630,569,042	100.000%	

(1) Improved single-family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

Reassessments and Appeals of Assessed Value

There are general means by which assessed values can be reassessed or appealed that could adversely impact property tax revenues within the District.

Appeals may be based on Proposition 8 of November 1978, which requires that for each January 1 lien date, the taxable value of real property must be the lesser of its base year value, annually adjusted by the inflation factor pursuant to Article XIII A of the State Constitution, or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the California Constitution" in APPENDIX A.

Under California law, property owners may apply for a Proposition 8 reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the County board of equalization or assessment appeals board. In most cases,

the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value.

Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. These reductions are subject to yearly reappraisals and are adjusted back to their original values, adjusted for inflation, when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

Proposition 8 reductions may also be unilaterally applied by the County Assessor. The District cannot predict the changes in assessed values that might result from pending or future appeals by taxpayers or by reductions initiated by the County Assessor. Any reduction in aggregate District assessed valuation due to appeals, as with any reduction in assessed valuation due to other causes, will cause the tax rate levied to repay the Bonds to increase accordingly, so that the fixed debt service on the Bonds (and other outstanding general obligation bonds, if any) may be paid.

Tax Levies and Delinquencies

No Teeter Plan. Certain counties in the State operate under a statutory program entitled Alternate Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “**Teeter Plan**”). Under the Teeter Plan local taxing entities receive 100% of their tax levies net of delinquencies, but do not receive interest or penalties on delinquent taxes collected by the county. The County of Monterey has not adopted the Teeter Plan, and consequently the Teeter Plan is not available to local taxing entities within the County, such as the District. The District’s receipt of property taxes is therefore subject to delinquencies.

Collections and Delinquencies History. The District’s total secured tax collections and delinquencies are apportioned on a County-wide basis, according to the District’s designated tax rate amount. Therefore, the total secured tax levies, as well as collections and delinquencies reported, do not represent the actual secured tax levies, collections and delinquencies of tax payers within the tax areas of the District. In addition, the District’s total secured tax levy does not include special assessments, supplemental taxes or other charges which have been assessed on property within the District or other tax rate areas of the County.

The annual secured tax levies and delinquencies within the District for fiscal years 2012-13 through 2019-20 are shown below.

**PACIFIC GROVE UNIFIED SCHOOL DISTRICT
Secured Tax Charges and Delinquencies
Fiscal Years 2012-13 through 2019-20**

	Secured Tax Charge ⁽¹⁾	Amt. Del. June 30	% Del. June 30
2012-13	\$18,479,781	\$285,412	1.54%
2013-14	19,044,015	216,756	1.14
2014-15	20,033,081	207,547	1.04
2015-16	21,218,358	193,178	0.91
2016-17	22,626,926	211,919	0.94
2017-18	23,957,770	210,102	0.88
2018-19	25,542,244	340,477	1.33
2019-20	26,698,663	387,671	1.45

(1) 1% General Fund apportionment.

Source: California Municipal Statistics, Inc.

Tax Rates

Below are historical typical tax rates in a typical tax rate area (TRA 4-000) within the District for fiscal years 2016-17 through 2020-21.

**PACIFIC GROVE UNIFIED SCHOOL DISTRICT
Typical Total Tax Rates per \$100 of Assessed Valuation (TRA 4-000)⁽¹⁾
Fiscal Years 2016-17 through 2020-21**

	2016-17	2017-18	2018-19	2019-20	2020-21
General Tax Rate	\$1.000000	\$1.000000			\$1.000000
City of Pacific Grove	.003500	--	--	--	--
Pacific Grove Unified School District	.085470	.065096	[to come]	[to come]	.077597
Monterey Peninsula CCD	.022336	.021655			.020166
Total Tax Rate	\$1.111306	\$1.086751			\$1.097763

(1) 2020-21 assessed valuation of TRA 4-000 is \$3,349,404,510 which is 53.14% of the District's total assessed valuation.

Source: California Municipal Statistics, Inc.

Top 20 Property Owners

The following table shows the 20 largest taxpayers in the District as determined by their secured assessed valuations in fiscal year 2020-21. Each taxpayer listed below is a unique name listed on the tax rolls. The District cannot determine from County assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below. A large concentration of ownership in a single individual or entity results in a greater amount of tax collections which are dependent upon that property owner's ability or willingness to pay property taxes.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT Top 20 Secured Property Taxpayers Fiscal Year 2020-21

	Property Owner	Primary Land Use	2020-21 Assessed Valuation	% of Total ⁽¹⁾
1.	Pebble Beach Company	Hotel & Golf	\$293,323,982	4.69%
2.	Monterey Peninsula Country Club	Country Club	43,895,298	0.70
3.	California-American Water Company	Water Company	29,298,766	0.47
4.	ROIC California LLC	Shopping Center	26,128,464	0.42
5.	Monarch Pines Homeowners Association	Mobile Home Park	24,387,521	0.39
6.	Sequoia Equities – Pacific Grove	Apartments	22,197,113	0.35
7.	Pacific Grove Home Sweet Home LLC	Apartments	21,453,620	0.34
8.	WGA Grove Acres LP	Apartments	16,404,905	0.26
9.	Boutique Inns LLC	Hotel	15,566,017	0.25
10.	Foursome Development Company	Commercial Building	12,457,968	0.20
11.	Pacific Lighthouse LP	Hotel	12,183,093	0.19
12.	Green Valley Corporation	Hotel	10,780,451	0.17
13.	Dana L. Dornsife Trust	Residential	9,505,821	0.15
14.	Pacific Grove Apartments LLC	Apartments	9,478,709	0.15
15.	Menlo Capital Holdings LLC	Residential	8,671,354	0.14
16.	Leslie Magid Frank M. Higgins II	Residential	8,659,456	0.14
17.	MKAA LLC	Hotel	8,468,723	0.14
18.	SLA Apartments LLC	Apartments	7,942,360	0.13
19.	Gary and Barbara Wipfler	Residential	7,490,118	0.12
20.	Waterloo Associates	Apartments	<u>7,160,063</u>	<u>0.11</u>
			\$595,453,802	9.52%

(1) 2020-21 local secured assessed valuation: \$6,253,108,211.

Source: California Municipal Statistics, Inc.

Direct and Overlapping Debt

Set forth below is a direct and overlapping debt report (the “**Debt Report**”) prepared by California Municipal Statistics, Inc. for debt issued as of December 1, 2020. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT Statement of Direct and Overlapping Bonded Debt (Debt Issued as of December 1, 2020)

2020-21 Assessed Valuation: \$6,302,444,767

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 12/1/20</u>
Monterey Peninsula Community College District	15.455%	\$16,980,180
Monterey County Water Resources Agency Zone 2C	8.510	1,733,487
Pacific Grove Unified School District	100.000	<u>39,010,000</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$57,723,667
<u>OVERLAPPING GENERAL FUND DEBT:</u>		
Monterey County General Fund Obligations	8.510%	\$11,912,521
Monterey County Board of Education Certificates of Participation	8.510	107,226
City of Pacific Grove Pension Obligation Bonds	100.000	<u>5,299,342</u>
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		\$17,319,089
Less: Monterey County supported obligations		<u>280,592</u>
TOTAL NET OVERLAPPING GENERAL FUND DEBT		\$17,038,497
GROSS COMBINED TOTAL DEBT		\$75,042,756 ⁽¹⁾
NET COMBINED TOTAL DEBT		\$74,762,164

Ratios to 2020-21 Valuation:

Direct Debt (\$39,010,000)	0.62%
Total Direct and Overlapping Tax and Assessment Debt	0.92%
Gross Combined Total Debt.....	1.19%
Net Combined Total Debt.....	1.19%

(1) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

BOND INSURANCE

The District has applied for bond insurance to guarantee the scheduled payment of principal of and interest on the Bonds and, if a commitment is issued to insure the Bonds, will determine prior to the sale of the Bonds whether to obtain such insurance.

TAX MATTERS

Tax Exemption

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. The Bonds are "qualified tax-exempt obligations" within the meaning of section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "**Tax Code**"), such that, in the case of certain financial institutions (within the meaning of section 265(b)(5) of the Tax Code), a deduction for federal income tax purposes is allowed for 80% of that portion of such financial institution's interest expense allocable to interest payable on the Bonds.

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Tax Code relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds, or may cause the Bonds to not be "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Tax Code.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount and original issue premium are disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original

offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under federal individual alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

Other Tax Considerations. Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or cause the Bonds to not be "qualified tax-exempt obligations," or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the Bonds, or as to the consequences of owning or receiving interest on the Bonds, as of any future date. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the Bonds, the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

Form of Opinion. A copy of the proposed form of opinion of Bond Counsel is attached hereto as APPENDIX D.

CERTAIN LEGAL MATTERS

Legality for Investment

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

Absence of Litigation

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened that (i) questions the political existence of the District, (ii) contests the District's ability to receive ad valorem taxes or to collect other revenues or (iii) contests the District's ability to issue and sell the Bonds.

The District is routinely subject to lawsuits and claims. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District. The District may be or may become a party to lawsuits and claims which are unrelated to the Bonds or actions taken with respect to the Bonds and which have arisen in the normal course of operating the District, including as a result of the COVID-19 pandemic. The District maintains certain insurance policies which provide coverage under certain circumstances and with respect to certain types of incidents. The District cannot predict what types of claims may arise in the future.

Compensation of Certain Professionals

Payment of the fees and expenses of Jones Hall, A Professional Law Corporation, as Bond Counsel and Disclosure Counsel to the District, and Dale Scott & Company Inc., as municipal advisor to the District, are contingent upon issuance of the Bonds.

CONTINUING DISCLOSURE

The District will execute the Continuing Disclosure Certificate in connection with the issuance of the Bonds, and covenant therein, for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District to the Municipal Securities Rulemaking Board (an “**Annual Report**”) not later than nine months after the end of the District’s fiscal year (which currently is June 30), commencing March 31, 2022, with the report for the 2020-21 Fiscal Year, and to provide notices of the occurrence of certain enumerated events. Such notices will be filed by the District with the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in an Annual Report or the notices of enumerated events is set forth in the form of Continuing Disclosure Certificate attached as APPENDIX E. These covenants have been made in order to assist the Purchaser of the Bonds in complying with S.E.C. Rule 15c2-12(b)(5) (the “**Rule**”).

The District has prior undertakings pursuant to the Rule. In the previous five years, _____. The District has engaged Dale Scott & Company Inc., to serve as dissemination agent with respect to each of its continuing disclosure undertakings, including the undertaking to be entered into for the Bonds. Neither the County nor any other entity other than the District shall have

any obligation or incur any liability whatsoever with respect to the performance of the District's duties regarding continuing disclosure. [UPDATE/CONFIRM]

RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("**S&P**"), has assigned a rating of "___" to the Bonds. The District has provided certain additional information and materials to S&P (some of which does not appear in this Official Statement to the extent deemed not material for investment purposes). Such rating reflects only the view of S&P and an explanation of the significance of such rating and outlook may be obtained only from S&P. There is no assurance that any credit rating given to the Bonds will be maintained for any period of time or that the rating may not be lowered or withdrawn entirely by S&P if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

COMPETITIVE SALE OF BONDS

The Bonds were sold pursuant to a competitive bidding process held on April 6, 2021, pursuant to the terms set forth in an Official Notice of Sale with respect to the Bonds.

The Bonds were awarded to _____ (the "**Purchaser**"), whose proposal represented the lowest true interest cost for the Bonds as determined in accordance with the Official Notice of Sale. The Purchaser has agreed to purchase the Bonds at a price of \$ _____, which is equal to the initial principal amount of the Bonds of \$ _____ plus an original issue premium of \$ _____, less a Purchaser's discount of \$ _____. The Purchaser intends to offer the Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. The Purchaser may offer and sell to certain dealers and others at a price lower than the offering prices stated on the inside cover page hereof. The offering price may be changed from time to time by the Purchaser.

ADDITIONAL INFORMATION

The discussions herein about the Bond Resolution and the Continuing Disclosure Certificate are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and for full and complete statements of such provisions reference is made to such documents. Copies of these documents mentioned are available from the Purchaser and following delivery of the Bonds will be on file at the offices of the Paying Agent in San Francisco, California.

References are also made herein to certain documents and reports relating to the District; such references are brief summaries and do not purport to be complete or definitive. Copies of such documents are available upon written request to the District.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners of any of the Bonds.

EXECUTION

The execution and delivery of this Official Statement have been duly authorized by the District.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT

By: _____
Superintendent

APPENDIX A

GENERAL AND FINANCIAL INFORMATION ABOUT THE DISTRICT

The information in this and other sections concerning the District's operations and operating budget is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable from the proceeds of an ad valorem tax required to be levied by the County in an amount sufficient for the payment thereof. See "SECURITY FOR THE BONDS" in the Official Statement.

General Information

The Pacific Grove Unified School District began offering a kindergarten through 12th grade program with the 1895-96 school year. The District is comprised of an area of approximately 12 square miles located on the Monterey Peninsula and serves the City of Pacific Grove (the "City") and an adjoining portion of the unincorporated area of Del Monte Forest in Monterey County (the "County"). The District currently operates two elementary schools, one middle school and one high school. The District also maintains a continuation high school, an adult education center, and three child care centers. Enrollment in the District is approximately 1,902 students in fiscal year 2020-21.

See also APPENDIX C hereto for demographic and other statistical information regarding the City and County.

Basic Aid Status/Community Supported District

Local property taxes exceeded the State's calculated revenue limit for the District in prior years, resulting in the District being treated as a "Basic Aid" district for purposes of general purpose education funding by the State. As a Basic Aid District, the District did not receive general purpose revenue limit funding from the State, but instead was entitled to keep its share of local property taxes in excess of the revenue limit. With implementation of the new education funding formula known as the Local Control Funding Formula (the "LCFF") commencing in fiscal year 2013-14, a school district, such as the District, whose property tax revenues exceed its funding under the LCFF is entitled to keep its local property tax revenues which exceed its LCFF funding, maintaining its status as a Basic Aid District, now referred to as a "Community Supported District." See "DISTRICT FINANCIAL INFORMATION - Funding Trends - Basic Aid Funding" below.

Administration

The District is governed by a five-member Board of Education, each member of which is elected to a four-year term. Current members of the Board of Education, together with their office and the date their term expires, are listed below.

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
John Paff	President	December 2022
Brian Swanson	Clerk	December 2024
Cristy Dawson	Member	December 2022
Carolyn Swanson	Member	December 2024
Jon Walton	Member	December 2022

Administrative Personnel. The Superintendent of the District, appointed by the Board, is responsible for management of the day-to-day operations and supervises the work of other District administrators. Ralph Gomez Porras is currently the Superintendent of the District and Song Chin-Bendib is the Assistant Superintendent, Business Services.

Recent Enrollment Trends

The following table shows a recent history and budgeted enrollment for the District.

ANNUAL ENROLLMENT
Fiscal Years 2005-06 through 2020-21
Pacific Grove Unified School District

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>% Change</u>
2005-06	1,756	--
2006-07	1,725	(1.8)%
2007-08	1,676	(2.8)
2008-09	1,692	1.0
2009-10	1,766	4.4
2010-11	1,855	5.0
2011-12	1,956	5.4
2012-13	2,046	4.6
2013-14	2,055	0.4
2014-15	2,012	(2.1)
2015-16	2,078	3.3
2016-17	2,078	0.0
2017-18	2,091	0.6
2018-19	2,035	(2.7)
2019-20	1,981	(2.7)
2020-21 ⁽¹⁾	1,902	(4.0)

(1) First Interim Projection.

Source: California Department of Education for 2005-06 through 2019-20; Pacific Grove Unified School District for 2020-21.

District's Response to COVID-19 Emergency

In March, 2020, the District closed its schools for on-site learning to reduce the potential for community transmission of COVID-19. The closure was extended through the end of the academic school year, but the District began the 2020-21 school year with in distance learning format. On August 28, 2020, the Governor released a new system called "Blueprint for a Safer California," which places the State's 58 counties into four color-coded tiers – purple, red, orange, and yellow, in descending order of severity – based on the number of new daily cases of COVID-19 and the percentage of positive tests. Under the State's "Blueprint for a Safer California," counties must spend at least three weeks in each tier before advancing to the next one. The County is currently assigned to the purple tier, which is the most restrictive tier.

The District has received approximately \$_____ to address costs which may have resulted from the COVID-19 emergency. Because the District is funded pursuant to the State's Local Control Funding Formula (the "LCFF"), the District's main operating revenues will be impacted by the State's financial position in the current and future fiscal years. See herein under the heading "STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS" for information on the State's

current and proposed budgets, and commentary provided by the LAO on the State Department of Finance on the State's fiscal outlook.

The District has incurred costs that were not anticipated at the time of its 2019-20 Budget as a result of COVID-19, such as the costs of mitigation measures and of implementing distance learning. However, funding under the CARES Act and other cost-saving impacts of not operating site-based learning, such as reductions in transportation costs, fuel and electricity costs, provide offsets to those expenses. With respect to pension costs, the District cannot currently predict if the COVID-19 emergency will have a material impact on its required employer contributions which could arise if the unfunded actuarial accrued liabilities of PERS and STRS materially increase. The District maintains reserves for economic uncertainties, which exceed the State's required minimum reserve. See "DISTRICT FINANCIAL INFORMATION – District Budget and Interim Financial Reporting - District Reserves."

The impacts of the COVID-19 emergency on global, State-wide and local economies, which could impact District operations and finances, and local property values are unknown and cannot be predicted by the District.

Employee Relations

The District has 140.0 certificated full-time equivalent ("**FTE**") employees, 107.0 classified FTE employees, and 20.0 management/supervisor/confidential FTE employees.

The employees of the District are represented by three bargaining units, as set forth in the following table.

BARGAINING UNITS
Pacific Grove Unified School District

Employee Group	Representation	Contract Expiration Date
Certificated	Pacific Grove Teachers Association	June 30, 20__
Classified	California School Employees Association	June 30, 20__

Source: The District.

DISTRICT FINANCIAL INFORMATION

Education Funding Generally

School districts in California receive operating income primarily from two sources: the State funded portion which is derived from the State's general fund, and a locally funded portion, being the district's share of the one percent general *ad valorem* tax levy authorized by the California Constitution. As a result, decreases or deferrals in education funding by the State could significantly affect a school district's revenues and operations.

From 1973-74 to 2012-13, California school districts operated under general purpose revenue limits established by the State Legislature. In general, revenue limits were calculated for each school district by multiplying (1) the average daily attendance ("**ADA**") for such district by (2) a base revenue limit per unit of ADA. The revenue limit calculations were adjusted annually in accordance with a number of factors designated primarily to provide cost of living increases and to equalize revenues among all California school districts of the same type. Funding of the District's revenue limit was provided by a mix of local property taxes and State apportionments of basic and equalization aid. Generally, the State apportionments amounted to the difference between the District's revenue limit and its local property tax revenues. Districts which had local property tax revenues which exceeded its revenue limit entitlement were deemed "Basic Aid Districts" and received full funding from local property tax revenues, and were entitled to keep those tax revenues which exceeded its revenue limit funding entitlement.

The fiscal year 2013-14 State budget package (the "**2013-14 State Budget**") replaced the previous K-12 finance system with a formula known as the Local Control Funding Formula (the "**LCFF**"). Under the LCFF, revenue limits and most state categorical programs were eliminated. School districts instead receive funding based on the demographic profile of the students they serve and gain greater flexibility to use these funds to improve outcomes of students. The LCFF creates funding targets based on student characteristics. For school districts and charter schools, the LCFF funding targets consist of grade span-specific base grants plus supplemental and concentration grants that reflect student demographic factors. The LCFF includes the following components:

- A base grant for each local education agency per unit of ADA, which varies with respect to different grade spans. The base grant is \$2,375 more than the average revenue limit provided prior to LCFF implementation. The base grants will be adjusted upward each year to reflect cost-of-living increases. In addition, grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in grades K-3 and the provision of career technical education in grades 9-12.
- A 20% supplemental grant for English learners, students from low-income families and foster youth to reflect increased costs associated with educating those students.
- An additional concentration grant of up to 50% of a local education agency's base grant, based on the number of English learners, students from low-income families and foster youth served by the local agency that comprise more than 55% of enrollment.

- An economic recovery target to ensure that almost every local education agency receives at least their pre-recession funding level, adjusted for inflation, at full implementation of the LCFF.

The LCFF was implemented for fiscal year 2013-14 and was phased in gradually. Beginning in fiscal year 2013-14, an annual transition adjustment was required to be calculated for each school district, equal to each district's proportionate share of the appropriations included in the State budget based on the percentage of each district's students who are low-income, English learners, and foster youth ("**Targeted Students**"), to close the gap between the prior-year funding level and the target allocation at full implementation of LCFF. In each year, districts will have the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of a district's funding gap.

Funding levels used in the LCFF target entitlement calculations, not including any supplemental or concentration grant funding entitlements, for fiscal year 2020-21 are set forth in the following table. Full implementation of LCFF occurred in fiscal year 2018-19 in connection with adoption of the State Budget for said fiscal year.

**Fiscal Year 2020-21 Base Grant⁽¹⁾ Under LCFF by Grade Span
(Targeted Base Grant)**

<u>Entitlement Factors per ADA</u>	<u>K-3</u>	<u>4-6</u>	<u>7-8</u>	<u>9-12</u>
2019-20 Base Grants	\$7,702	\$7,818	\$8,050	\$9,329
Statutory COLA (2.31%)	\$178	\$181	\$186	\$215
2020-21 Base Grant Before Deficit Factor	\$7,880	\$7,999	\$8,236	\$9,544
Deficit Factor Impact	(\$178)	(\$181)	(\$186)	(\$215)
2020-21 Base Grants After Deficit Factor	\$7,702	\$7,818	\$8,050	\$9,329
Grade Span Adjustment Factors	10.4%	--	--	2.6%
Grade Span Adjustment Amounts	\$801	--	--	\$243
2020-21 Adjusted Base Grants ⁽²⁾	\$8,503	\$7,818	\$8,050	\$9,572

(1) Does not include supplemental and concentration grant funding entitlements.

(2) Reflects 0% cost of living adjustment from fiscal year 2019-20.

The legislation implementing LCFF included a "hold harmless" provision which provided that a district or charter school would maintain total revenue limit and categorical funding at least equal to its 2012-13 level, unadjusted for changes in ADA or cost of living adjustments.

The LCFF includes an accountability component. Districts are required to increase or improve services for English language learners, low income, and foster youth students in proportion to supplemental and concentration grant funding received. All school districts, county offices of education, and charter schools are required to develop and adopt local control and accountability plans, which identify local goals in areas that are priorities for the State, including pupil achievement, parent engagement, and school climate.

County superintendents review and provide support to the districts under their jurisdiction, and the Superintendent of Public Instruction performs a corresponding role for county offices of education. In addition, the 2013-14 State Budget created the California Collaborative for Education Excellence to advise and assist school districts, county offices of education, and charter schools in achieving the goals identified in their plans. Under the LCFF and related legislation, the State will continue to measure student achievement through statewide

assessments, produce an index for schools and subgroups of students, determine the contents of the school accountability report card, and establish policies to implement the federal accountability system.

District Accounting Practices

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

District accounting is organized on the basis of funds, with each group consisting of a separate accounting entity. The major fund classification is the general fund which accounts for all financial resources not requiring a special fund placement. The District's fiscal year begins on July 1 and ends on June 30. For more information on the District's basis of accounting and fund accounting, see Note 1 of APPENDIX B to the Official Statement.

District expenditures are accrued at the end of the fiscal year to reflect the receipt of goods and services in that year. Revenues generally are recorded on a cash basis, except for items that are susceptible to accrual (measurable and/or available to finance operations). Current taxes are considered susceptible to accrual. Revenues from specific state and federally funded projects are recognized when qualified expenditures have been incurred. State block grant apportionments are accrued to the extent that they are measurable and predictable. The State Department of Education sends the District updated information from time to time explaining the acceptable accounting treatment of revenue and expenditure categories.

The Governmental Accounting Standards Board ("**GASB**") published its Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" on June 30, 1999. Statement No. 34 provides guidelines to auditors, state and local governments and special purpose governments such as school districts and public utilities, on new requirements for financial reporting for all governmental agencies in the United States. Generally, the basic financial statements and required supplementary information should include (i) Management's Discussion and Analysis; (ii) financial statements prepared using the economic measurement focus and the accrual basis of accounting, (iii) fund financial statements prepared using the current financial resources measurement focus and the modified accrual method of accounting and (iv) required supplementary information.

Financial Statements

General. The District's general fund finances the legally authorized activities of the District for which restricted funds are not provided. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. The District's June 30, 2020 Audited Financial Statements were prepared Eide Bailly, LLP, Fresno, California and are attached to the Official Statement as APPENDIX B. Audited financial statements for the District for prior fiscal years are on file with the District and available for public inspection at the Office of the Assistant Superintendent, Business Services. The District has not requested, and the auditor has not provided, any review or update of such Financial Statements in connection with inclusion in this Official Statement.

General Fund Revenues, Expenditures and Changes in Fund Balance. The following table shows the audited income and expense statements for the District for the fiscal years 2015-16 through 2019-20.

GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Fiscal Years 2015-16 through 2019-20 (Audited)
Pacific Grove Unified School District ⁽¹⁾

	<u>Audited</u> <u>2015-16</u>	<u>Audited</u> <u>2016-17</u>	<u>Audited</u> <u>2017-18</u>	<u>Audited</u> <u>2018-19</u>	<u>Audited</u> <u>2019-20</u>
<u>Revenues:</u>					
LCFF	\$24,906,373	\$25,912,304	\$27,410,041	\$29,357,331	\$30,391,751
Federal Revenues	654,521	614,403	795,584	719,971	581,099
Other State Revenues	2,961,248	2,354,636	2,245,338	4,186,197	2,837,359
Other Local Revenues	1,362,425	1,616,413	1,585,712	1,722,017	2,062,262
Total Revenues	29,884,567	30,497,756	32,036,675	35,985,516	35,872,471
<u>Expenditures:</u>					
Instruction	16,582,760	17,873,474	19,557,953	22,005,032	21,599,074
Supervision of Instruction	326,920	318,211	304,128	454,644	419,650
Instructional library, media, technology	257,790	294,216	308,608	329,187	329,753
School site administration	2,430,447	2,543,991	2,711,911	2,971,352	2,921,096
Home-to-school transportation	360,972	556,076	455,838	415,762	292,462
Food services	142,603	3,855	3,374	17,579	2,964
All other pupil services	2,015,328	2,458,810	2,652,803	2,507,957	2,334,900
Data processing	--	--	--	377,580	400,233
All other general administration	2,143,475	2,462,108	2,582,349	2,531,145	2,648,367
Plant services	2,669,291	2,897,606	3,438,142	3,352,953	3,380,775
Facility acquisition and construction	6,939	--	252,259	12,252	81,472
Ancillary services	313,249	304,794	288,397	350,590	401,687
Community services	--	--	794	15,961	--
Other outgo	704,876	218,558	61,421	135,190	152,809
Enterprise services	320,776	449,416	155,861	140,840	--
Debt service: principal	--	53,847	--	--	--
Debt service: interest	--	323	--	--	--
Total Expenditures	28,275,426	30,435,285	32,773,838	35,618,024	34,965,242
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,609,141	62,471	(737,163)	367,492	907,229
<u>Other Financing Sources (Uses)</u>					
Operating transfers in	--	--	--	--	--
Other sources	--	156,388	--	--	--
Operating transfers out	(33,558)	(50,285)	(245,864)	(269,020)	(190,626)
Total Other Financing Sources (Uses)	(33,558)	106,103	(245,864)	(269,020)	(190,626)
Net change in fund balance	1,575,583	168,574	(983,027)	98,472	716,603
Fund Balances July 1	3,842,799	5,418,382	5,586,956	4,603,929	4,702,401
Fund Balances June 30	\$5,418,382	\$5,586,956	\$4,603,929	\$4,702,401	\$5,419,004

(1) Figures may not sum to totals due to rounding.

Source: Pacific Grove Unified School District Audit Reports.

District Budget and Interim Financial Reporting

Budgeting and Interim Reporting Procedures. State law requires school districts to maintain a balanced budget in each fiscal year. The State Department of Education imposes a uniform budgeting and accounting format for school districts.

Under current law, a school district governing board must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the Monterey County Superintendent of Schools (the "**County Superintendent**").

The County Superintendent must review and approve or disapprove the budget no later than August 15. The County Superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance with the established standards. If the budget is disapproved, it is returned to the District with recommendations for revision. The District is then required to revise the budget, hold a public hearing thereon, adopt the revised budget and file it with the County Superintendent no later than September 8. Pursuant to State law, the County Superintendent has available various remedies by which to impose and enforce a budget that complies with State criteria, depending on the circumstances, if a budget is disapproved. After approval of an adopted budget, the school district's administration may submit budget revisions for governing board approval.

Subsequent to approval, the County Superintendent will monitor each district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the district can meet its current or subsequent year financial obligations. If the County Superintendent determines that a district cannot meet its current or subsequent year obligations, the County Superintendent will notify the district's governing board of the determination and may then do either or both of the following: (a) assign a fiscal advisor to enable the district to meet those obligations or (b) if a study and recommendations are made and a district fails to take appropriate action to meet its financial obligations, the County Superintendent will so notify the State Superintendent of Public Instruction, and then may do any or all of the following for the remainder of the fiscal year: (i) request additional information regarding the district's budget and operations; (ii) after also consulting with the district's board, develop and impose revisions to the budget that will enable the district to meet its financial obligations; and (iii) stay or rescind any action inconsistent with such revisions. However, the County Superintendent may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the County Superintendent assumed authority.

A State law adopted in 1991 ("**A.B. 1200**") imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200, each school district is required to file interim certifications with the County Superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent two fiscal years. The County Superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and the subsequent two fiscal years. A negative certification is assigned to any school district that is deemed unable to meet its financial obligations for the remainder of the current fiscal year or the subsequent fiscal

year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or the two subsequent fiscal years.

Under California law, any school district and office of education that has a qualified or negative certification in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, tax anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the district, unless the applicable county superintendent of schools determines that the district's repayment of indebtedness is probable.

District's Budget and Interim Certification History. During the past five years, each of the District's adopted budgets have been approved by the County Superintendent and the District has received positive certifications on all of its interim reports. The District's most recent interim report, the 2020-21 first interim report, received a positive certification.

District's General Fund. The following table shows the general fund figures for the District for fiscal year 2020-21 (adopted budget and first interim projections).

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
Revenues, Expenditures, and Changes in General Fund Balance
Fiscal Year 2020-21 (Adopted Budget and First Interim Projections)

Revenues	Adopted Budget 2020-21	First Interim 2020-21
Total LCFF Sources	\$1,769,447	\$31,769,432
Federal Revenues	1,578,689	1,559,289
Other state revenues	2,388,814	2,453,254
Other local revenues	1,681,732	1,708,342
Total Revenues	37,418,682	37,490,317
Expenditures		
Certificated Salaries	17,663,212	17,877,646
Classified Salaries	6,846,318	6,667,988
Employee Benefits	7,981,222	7,926,709
Books and Supplies	1,821,246	1,898,414
Contract Services & Operating Exp.	2,510,439	2,537,838
Capital Outlay	9,000	35,908
Other Outgo (excluding indirect costs)	130,809	130,809
Other Outgo – Transfers of Indirect Costs	(76,541)	(76,540)
Total Expenditures	36,885,705	36,998,772
Excess of Revenues Over/(Under) Expenditures	532,977	491,545
Other Financing Sources (Uses)		
Operating transfers in	--	--
Operating transfers out	(227,486)	(242,991)
Other sources	--	--
Contributions	--	--
Total Other Financing Sources (Uses)	(227,486)	(242,991)
Net change in fund balance	305,491	248,554
Fund Balance, July 1	5,412,828	5,412,828
Fund Balance, June 30	\$5,718,319	\$5,661,382

Source: Pacific Grove Unified School District First Interim Report for fiscal year 2020-21.

District Reserves. The District's ending fund balance is the accumulation of surpluses from prior years. This fund balance is used to meet the State's minimum required reserve of 3% of expenditures, plus any other allocation or reserve which might be approved as an expenditure by the District in the future. The District has historically had an unrestricted reserve in excess of the 3% minimum requirement.

In connection with legislation adopted in connection with the State's fiscal year 2014-15 Budget ("SB 858"), the Education Code was amended to provide that, beginning in fiscal year 2015-16, if a district's proposed budget includes a local reserve above the minimum recommended level, the governing board must provide the information for review at the annual public hearing on its proposed budget. In addition, SB 858 included a provision, which became effective upon the passage of Proposition 2 at the November 4, 2014 statewide election, which limits the amount of reserves which may be maintained at the District level. Specifically, the

legislation, among other things, enacted Education Code Section 42127.01, which became operative December 15, 2014, and provides that in any fiscal year immediately after a fiscal year in which a transfer is made to the State's Public School System Stabilization Account (the Proposition 98 reserve), a school district may not adopt a budget that contains a reserve for economic uncertainties in excess of twice the applicable minimum recommended reserve for economic uncertainties established by the State Board (for school districts with ADA over 400,000, the limit is three times the amount). Exemptions can be granted by the County Superintendent under certain circumstances.

On October 11, 2017, the Governor signed new legislation ("**SB 751**") amending Section 42127.01 of the Education Code, effective January 1, 2018. SB 751 raises the reserve cap established under SB 858 to no more than 10% of a school district's combined assigned or unassigned ending general fund balance and provides that the reserve cap will be triggered only if there is a minimum balance of 3% of the Proposition 98 reserve. Basic aid school districts and small districts with 2,500 or fewer ADA are exempt from the reserve cap. The District cannot predict if or when the reserve cap enacted by SB 751 will be triggered and what impact it may have on the District's reserves.

Funding Trends - Basic Aid Funding

As described herein, prior to fiscal year 2013-14, school districts in California derived most State funding based on a formula which considered a revenue limit per unit of ADA. With the implementation of the LCFF, commencing in fiscal year 2013-14, school districts receive base funding based on ADA, and may also be entitled to supplemental funding, concentration grants and funding based on an economic recovery target.

Community Supported Districts (formerly known as "**Basic Aid**") are those whose local property tax revenues exceed the funding entitlement under the LCFF. Community Supported Districts do not receive any funds from the State appropriation, however, they do receive funds from the State for categorical and grant programs restricted to a special population or for certain purposes such as disabled students or instructional equipment. The current law in California allows these districts to keep the excess property tax revenues without penalty. The implication for Community Supported Districts is that the legislatively determined annual cost of living adjustment and other politically determined factors are less significant in determining such districts' primary funding sources. Rather, property tax growth and the local economy become the determinant factors.

As previously described, the District has been a Basic Aid District in prior years, and following implementation of the LCFF in fiscal year 2013-14, local property tax revenues have exceeded the District's funding entitlement under LCFF, resulting in continued status of "Basic Aid," or "Community Supported" district. The District expects that it will continue to be a Community Supported District.

Attendance - Revenue Limit and LCFF Funding

Funding Trends under LCFF. As described herein, prior to fiscal year 2013-14, school districts in California received State funding based on a formula which considered a revenue limit per unit of ADA. With the implementation of the LCFF, commencing in fiscal year 2013-14, school districts receive base funding based on ADA, and may also be entitled to supplemental funding, concentration grants and funding based on an economic recovery target. The following table sets

forth recent LCFF funding per ADA for the District for fiscal years 2013-14 through 2020-21 (budgeted).

**PACIFIC GROVE UNIFIED SCHOOL DISTRICT
ADA and LCFF Funding
Fiscal Years 2013-14 through 2020-21 (Budgeted)**

Fiscal Year	ADA	LCFF Funding Per ADA
2013-14	1,978	\$13,854
2014-15	1,955	11,865
2015-16	1,992	12,502
2016-17	1,989	13,026
2017-18	1,978	13,854
2018-19	1,904	15,416
2019-20	1,914	15,879
2020-21 ⁽¹⁾	1,910	16,633

(1) First Interim Projection.

Source: California Department of Education; Pacific Grove Unified School District.

District's Unduplicated Student Count. Under LCFF, school districts are entitled to supplemental funding based on the unduplicated count of targeted students. The District's percentage of unduplicated students is approximately 21% for purposes of calculating supplemental and concentration grant funding under LCFF.

Possible Impacts of Coronavirus. As described herein, the short-term and long-term impact of COVID-19 on the District's attendance, revenues and local property values cannot be predicted. The Bonds described in this Official Statement are secured by ad valorem property taxes, and not the District's general fund. See "SECURITY FOR THE BONDS – COVID-19 Global Pandemic."

Revenue Sources

The District categorizes its general fund revenues into four sources, being LCFF, Federal Revenues, Other State Revenues and Local Revenues. Each of these revenue sources is described below.

LCFF Sources. District funding is provided by a mix of (1) local property taxes and (2) State apportionments of funding under the LCFF. Generally, the State apportionments will amount to the difference between the District's LCFF funding entitlement and its local property tax revenues.

Beginning in 1978-79, Proposition 13 and its implementing legislation provided for each county to levy (except for levies to support prior voter-approved indebtedness) and collect all property taxes, and prescribed how levies on county-wide property values are to be shared with local taxing entities within each county.

The principal component of local revenues is the school district's property tax revenues, i.e., the district's share of the local 1% property tax, received pursuant to Sections 75 and following and Sections 95 and following of the California Revenue and Taxation Code. Education Code Section 42238(h) itemizes the local revenues that are counted towards the base revenue limit

before calculating how much the State must provide in equalization aid. Historically, the more local property taxes a district received, the less State equalization aid it is entitled to.

Federal Revenues. The federal government provides funding for several District programs, including special education programs, programs under Every Student Succeeds Act, the Individuals with Disabilities Education Act, and specialized programs such as Drug Free Schools.

Other State Revenues. As discussed above, the District receives State apportionment of basic and equalization aid in an amount equal to the difference between the District's LCFF funding entitlement and its property tax revenues. In addition to such apportionment revenue, the District receives other State revenues.

The District receives State aid from the California State Lottery (the "**Lottery**"), which was established by a constitutional amendment approved in the November 1984 general election. Lottery revenues must be used for the education of students and cannot be used for non-instructional purposes such as real property acquisition, facility construction, or the financing of research. Moreover, State Proposition 20 approved in March 2000 requires that 50% of the increase in Lottery revenues over 1997-98 levels must be restricted to use on instruction material.

For additional discussion of State aid to school districts, see "-Education Funding Generally."

Other Local Revenues. In addition to property taxes, the District receives additional local revenues from items such as interest earnings, leases and rentals.

District Retirement Systems

Qualified employees of the District are covered under multiple-employer defined benefit pension plans maintained by agencies of the State. Certificated employees are members of the State Teachers' Retirement System ("**STRS**") and classified employees are members of the Public Employees' Retirement System ("**PERS**"). Both STRS and PERS are operated on a Statewide basis. *The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District or the Purchaser.*

STRS. All full-time certificated employees participate in STRS, a cost-sharing, multiple-employer contributory public employee retirement system. STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended. The program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers and the State. The District's employer contributions to STRS for recent fiscal years are set forth in the following table.

**STRS Contributions
Pacific Grove Unified School District
Fiscal Years 2014-15 through 2020-21 (Projected)**

Fiscal Year	Amount
2014-15	\$1,176,904
2015-16	1,521,537
2016-17	1,939,039
2017-18	2,348,315
2018-19	2,794,378
2019-20	2,935,229
2020-21 ⁽¹⁾	4,453,902

(1) First Interim Projection.

Source: Pacific Grove Unified School District.

Historically, employee, employer and State contribution rates did not vary annually to account for funding shortfalls or surpluses in the STRS plan. In recent years, the combination of investment earnings and statutory contributions were not sufficient to pay actuarially required amounts. As a result, the STRS defined benefit program showed an estimated unfunded actuarial liability of approximately \$102.6 billion as of June 30, 2019 (the date of the last actuarial valuation). In connection with the State's adoption of its fiscal year 2014-15 Budget, the Governor signed into law Assembly Bill 1469 ("**AB 1469**"), which represents a legislative effort to address the unfunded liabilities of the STRS pension plan. AB 1469 addressed the funding gap by increasing contributions by employees, employers and the State. In particular, employer contribution rates are scheduled to increase through at least fiscal year 2020-21, from a contribution rate of 8.88% in fiscal year 2013-14 to 19.1% in fiscal year 2020-21. Thereafter, employer contribution rates will be determined by the STRS board to reflect the contribution required to eliminate unfunded liabilities by June 30, 2046.

The District's employer contribution rates for fiscal years 2015-16 through 2019-20 were 10.73%, 12.58%, 14.43%, 16.28%, and 17.10%, respectively. Projected employer contribution rates for school districts (including the District) for fiscal year 2020-21 through fiscal year 2022-23 are set forth in the following table.

**EMPLOYER CONTRIBUTION RATES (STRS)
Fiscal Years 2020-21 through 2022-23**

Fiscal Year	Employer Contribution Rate ⁽¹⁾
2020-21	16.15%
2021-22	16.02
2022-23	18.10

(1) Expressed as a percentage of covered payroll.

Source: AB 1469

PERS. All full-time and some part-time classified employees participate in PERS, an agent multiple-employer contributory public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State. PERS provides retirement, disability, and death benefits to plan members and beneficiaries. The District is part of a cost-sharing pool within PERS known as the "Schools Pool." Benefit provisions are established by State statutes, as legislatively amended. Contributions to PERS are made by

employers and employees. Each fiscal year, the District is required to contribute an amount based on an actuarially determined employer rate. The District's employer contributions to PERS for recent fiscal years are set forth in the following table.

**PERS Contributions
Pacific Grove Unified School District
Fiscal Years 2014-15 through 2020-21 (Projected)**

Fiscal Year	Amount
2014-15	\$561,271
2015-16	627,512
2016-17	774,203
2017-18	927,697
2018-19	1,216,916
2019-20	1,424,084
2020-21 ⁽¹⁾	1,362,017

(1) First Interim Projection.

Source: Pacific Grove Unified School District.

Like the STRS program, the PERS program has experienced an unfunded liability in recent years. The PERS unfunded liability, on a market value of assets basis, was approximately \$31.4 billion as of June 30, 2019 (the date of the last actuarial valuation). To address this issue, the PERS board has taken a number of actions. In April 2013, for example, the PERS board approved changes to the PERS amortization and smoothing policy intended to reduce volatility in employer contribution rates. In addition, in April 2014, PERS set new contribution rates, reflecting new demographic assumptions and other changes in actuarial assumptions. In November 2015, PERS adopted a funding risk mitigation policy intended to incrementally lower its discount rate (its assumed rate of investment return) in years of good investment returns, help pay down the pension fund's unfunded liability, and provide greater predictability and less volatility in contribution rates for employers. In December 2016, PERS voted to lower its discount rate from the current 7.5% to 7.0% over the next three years according to the following schedule.

**PERS Discount Rate
Fiscal Years 2018-19 through 2020-21**

Fiscal Year	Amount
2018-19	7.375%
2019-20	7.250
2020-21	7.000

Source: PERS.

The new rates and underlying assumptions, which are aimed at eliminating the unfunded liability of PERS in approximately 30 years, will be implemented for school districts beginning in fiscal year 2016-17, with the costs spread over 20 years and the increases phased in over the first five years.

The District's employer contribution rates for fiscal years 2015-16, 2016-17, 2017-18, 2018-19, and 2020-21 were 11.847%, 13.888%, 15.531%, 18.062%, and 19.721% respectively. Projected employer contribution rates for school districts (including the District) for fiscal year 2019-20 through fiscal year 2022-23 are set forth in the following table.

**EMPLOYER CONTRIBUTION RATES (PERS)
Fiscal Years 2020-21 through 2022-23⁽¹⁾**

Fiscal Year	Employer Contribution Rate ⁽²⁾
2020-21	20.700%
2021-22	22.840
2022-23	25.500

(1) The PERS board is expected to approve official employer contribution rates for each fiscal year shown during the immediately preceding fiscal year.

(2) Expressed as a percentage of covered payroll.

Source: PERS

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 ("PEPRA"), which impacted various aspects of public retirement systems in the State, including the STRS and PERS programs. In general, PEPRA (i) increased the retirement age for public employees depending on job function, (ii) capped the annual pension benefit payouts for public employees hired after January 1, 2013, (iii) required public employees hired after January 1, 2013 to pay at least 50% of the costs of their pension benefits (as described in more detail below), (iv) required final compensation for public employees hired after January 1, 2013 to be determined based on the highest average annual pensionable compensation earned over a period of at least 36 consecutive months, and (v) attempted to address other perceived abuses in the public retirement systems in the State. PEPRA applies to all public employee retirement systems in the State, *except* the retirement systems of the University of California, and charter cities and charter counties whose pension plans are not governed by State law. PEPRA's provisions went into effect on January 1, 2013 with respect to new State, school, and city and local agency employees hired on or after that date; existing employees who are members of employee associations, including employee associations of the District, have a five-year window to negotiate compliance with PEPRA through collective bargaining.

PERS has predicted that the impact of PEPRA on employees and employers, including the District and other employers in the PERS system, will vary, based on each employer's current level of benefits. As a result of the implementation of PEPRA, new members must pay at least 50% of the normal costs of the plan, which can fluctuate from year to year. To the extent that the new formulas lower retirement benefits, employer contribution rates could decrease over time as current employees retire and employees subject to the new formulas make up a larger percentage of the workforce. This change would, in some circumstances, result in a lower retirement benefit for employees than they currently earn.

With respect to the STRS pension program, employees hired after January 1, 2013 will pay the greater of either (1) fifty percent of the normal cost of their retirement plan, rounded to the nearest one-quarter percent, or (2) the contribution rate paid by then-current members (i.e., employees in the STRS plan as of January 1, 2013). The member contribution rate could be increased from this level through collective bargaining or may be adjusted based on other factors. Employers will pay at least the normal cost rate, after subtracting the member's contribution.

The District is unable to predict the amount of future contributions it will have to make to PERS and STRS as a result of the implementation of PEPRA, and as a result of negotiations with its employee associations, or, notwithstanding the adoption of PEPRA, resulting from any

legislative changes regarding the PERS and STRS employer contributions that may be adopted in the future.

COVID-19 Impacts: Recent investment losses in the PERS and STRS portfolios as a result of the general market downturn caused by the COVID-19 outbreak may result in increases in the District's required contributions in future years. The District cannot predict the level of such increases, if any.

Additional Information. Additional information regarding the District's retirement programs is available in Note 14 to the District's audited financial statements attached hereto to the Official Statement as APPENDIX B. In addition, both STRS and PERS issue separate comprehensive financial reports that include financial statements and required supplemental information. Copies of such reports may be obtained from STRS and PERS, respectively, as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; and (ii) PERS, 400 Q Street, Sacramento, California 95811. More information regarding STRS and PERS can also be obtained at their websites, www.calstrs.com and www.calpers.ca.gov, respectively. *The references to these Internet websites are shown for reference and convenience only and the information contained on such websites is not incorporated by reference into this Official Statement. The information contained on these websites may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.*

Other Post-Employment Retirement Benefits

Plan Description. The District's governing board administers the Postemployment Benefits Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by the District. The Plan provides post-employment benefits other than pensions ("OPEB") for eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Membership of the Plan as of June 30, 2020 was 129 retirees and beneficiaries currently receiving benefits and 295 active plan members.

Contributions. The benefit payment requirements of the Plan members and the District are established and may be amended by the District, the Pacific Grove Teachers Association ("PGTA"), the local California Service Employees Association ("CSEA"), and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District, PGTA, CSEA, and the unrepresented groups. For measurement period of June 30, 2020, the District paid \$356,353 in benefits.

Total OPEB Liability. The District's total OPEB liability of \$7,613,885 was measured as of June 30, 2019, using an actuarial valuation as of June 30, 2019.

Actuarial Assumptions. The District's total OPEB liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified: the entry age level percent of pay actuarial cost method was used, inflation 2.75%, salary increases 2.75%, average, including inflation, discount rate of 3.50% was based on the Bond Buyer 20-bond General Obligation Index, healthcare cost trend 4.00%. Mortality rates were based on the 2009 CalSTRS Mortality Table for certificated employees and the 2014 CalPERS Active Mortality for Miscellaneous Employees Table for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees

who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

Changes in OPEB Liability of the District. The changes in OPEB liability of the District as of June 30, 2018, is shown in the following table:

**CHANGES IN TOTAL OPEB LIABILITY
Pacific Grove Unified School District**

Changes for the Year Ended June 30, 2019

Balance at June 30, 2018	\$10,084,431
Service Cost	732,709
Interest	388,268
Differences between expected and actual experience	(3,431,279)
Changes of assumptions	196,109
Benefit payments	<u>(356,353)</u>
Net Change in Total OPEB liability	<u>(2,470,546)</u>
Balance at June 30, 2019	\$7,613,885

Source: Pacific Grove Unified School District.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB. For the year ended June 30, 2019, the District recognized OPEB expense of \$(1,480).

Insurance – Risk Management

The District is a member of the Monterey County Schools' Insurance Group ("**MCSIG**"), Monterey County Liability and Property Self - Insurance Authority ("**MCLPSIA**"), the Monterey Educational Risk Management Authority ("**MERMA**") public entity risk pools. The District pays an annual premium to each entity for its health, workers' compensation, and property liability coverage. The relationships between the District, the pools, and the JPA's are such that they are not component units of the District for financial reporting purposes.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these statements. Audited financial statements are available from the respective entities.

The District has appointed one member to the governing board of MCSIG. During the year ended June 30, 2020, the District made payment of \$594,050 to MCSIG for medical, dental, vision, and life insurance.

The District has appointed one member to the governing board of MCLPSIA. During the year ended June 30, 2020, the District made payment of \$250,803 to MCLPSIA for liability and property insurance.

The District has appointed one member to the governing board of MERMA. During the year ended June 30, 2020, the District made payment of \$408,987 to MERMA for workers' compensation insurance.

Existing Debt Obligations

General Obligation Bonds. The District received authorization at an election held on June 6, 2006, by a 55% affirmative vote of the qualified electors to issue general obligation bonds in a principal amount not to exceed \$42,000,000 (the "**2006 Authorization**"). The District has issued the entire amount of the 2006 Authorization.

The District received authorization at an election held on November 4, 2014, by a requisite 55% affirmative vote of the qualified electors to issue general obligation bonds in a principal amount not to exceed \$18,000,000 (the "**2014 Authorization**"). The District has \$13,527,000 remaining under the 2012 Authorization.

The District received authorization at an election held on March 3, 2020, by a requisite 55% affirmative vote of the qualified electors to issue general obligation bonds in a principal amount not to exceed \$30,000,000 (the "**2020 Authorization**"). The Bonds described herein are the first issuance under the 2020 Authorization.

The District's general obligation bonds and general obligation refunding bonds outstanding as of March 1, 2021 are shown in the following table (excluding the Refunding Bonds being offered for sale hereunder):

GENERAL OBLIGATION BONDS Pacific Grove Unified School District

Dated Date	Series	Amount of Original Issue	Outstanding at March 1, 2021
<u>2006 Authorization</u>			
07/12/2011	Taxable General Obligation Bonds, Election of 2006, Series E	\$7,780,000	\$5,082,000
<u>2014 Authorization</u>			
12/15/2016	General Obligation Bonds, Election of 2014, Series B Ed Tech Bonds	2,103,000	129,000
	General Obligation Bonds, Election of 2014, Series C Ed Tech Bonds ⁽¹⁾	2,108,000	1,372,000
<u>Refunding Bonds</u>			
12/06/2011	2011 General Obligation Refunding Bonds	4,690,000	190,000
07/15/2015	2015 General Obligation Refunding Bonds, Series A	4,925,000	3,400,000
07/15/2015	2015 General Obligation Refunding Bonds, Series B	3,380,000	2,455,000
08/04/2016	2016 General Obligation Refunding Bonds	16,125,000	15,760,000
	2017 General Obligation Refunding Bonds	10,130,000	9,755,000
Total		\$53,611,000	\$38,143,000

(1) Private placement.

Equipment Lease. On May 1, 2017, the District entered into a long-term lease financing in the principal amount of \$635,705 for the purpose of financing certain equipment. The lease payments are due semi-annually through 2023.

Investment of District Funds

In accordance with Government Code Section 53600 *et seq.*, the County Treasurer manages funds deposited with it by the District. The County is required to invest such funds in accordance with California Government Code Sections 53601 *et seq.* In addition, counties are

required to establish their own investment policies which may impose limitations beyond those required by the Government Code. See APPENDIX G to the Official Statement for the County's current investment policy and recent investment report.

Effect of State Budget on Revenues

Public school districts in California are dependent on revenues from the State for a large portion of their operating budgets. California school districts generally receive the majority of their operating revenues from various State sources. The primary source of funding for school districts is LCFF funding, which is derived from a combination of State funds and local property taxes (see “—Education Funding Generally” above). State funds typically make up the majority of a district's LCFF funding. School districts also receive funding from the State for some specialized programs such as special education.

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS” below), the condition of the State economy (which affects total revenue available to the State general fund), and the annual State budget process. The District cannot predict how education funding may further be changed in the future, or the state of the economy which in turn can impact the amounts of funds available from the State for education funding. See “STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS.”

STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS

State Funding of Education

General. The State requires that from all State revenues there first shall be set apart the moneys to be applied for support of the public school system and public institutions of higher education. School districts in California receive operating income primarily from two sources: (1) the State funded portion which is derived from the State's general fund, and (2) a locally funded portion, being a district's share of the 1% general *ad valorem* tax levy authorized by the California Constitution (see "DISTRICT FINANCIAL INFORMATION – Education Funding Generally" above). School districts in California are dependent on revenues from the State for a large portion of their operating budgets. California school districts receive an average of about 55% of their operating revenues from various State sources.

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" below), the condition of the State economy (which affects total revenue available to the State general fund), and the annual State budget process. Decreases in State revenues may significantly affect appropriations made by the legislature to school districts.

The COVID-19 pandemic is expected to have a material impact on State revenues and appropriations.

The following information concerning the State's budgets for the current and most recent preceding years has been compiled from publicly-available information provided by the State. None of the District, the Underwriter or the County is responsible for the information relating to the State's budgets provided in this section. Further information is available from the Public Finance Division of the State Treasurer's Office.

The Budget Process. The State's fiscal year begins on July 1 and ends on June 30. The annual budget is proposed by the Governor by January 10 of each year for the next fiscal year (the "**Governor's Budget**"). Under State law, the annual proposed Governor's Budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years. Following the submission of the Governor's Budget, the Legislature takes up the proposal.

Under the State Constitution, money may be drawn from the State Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the Budget Act as approved by the Legislature and signed by the Governor. The Budget Act must be approved by a majority vote of each house of the Legislature. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each house of the Legislature.

Appropriations also may be included in legislation other than the Budget Act. Bills containing appropriations (including for K-14 education) must be approved by a majority vote in each house of the Legislature, unless such appropriations require tax increases, in which case they must be approved by a two-thirds vote of each house of the Legislature, and be signed by the Governor. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution.

Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt.

Recent State Budgets

Certain information about the State budgeting process and the State budget is available through several State of California sources. A convenient source of information is the State's website, where recent official statements for State bonds are posted. *The references to internet websites shown below are shown for reference and convenience only, the information contained within the websites may not be current and has not been reviewed by the District and is not incorporated herein by reference.*

- The California State Treasurer internet home page at www.treasurer.ca.gov, under the heading "Bond Information", posts various State of California Official Statements, many of which contain a summary of the current State budget, past State budgets, and the impact of those budgets on school districts in the State.
- The California State Treasurer's Office Internet home page at www.treasurer.ca.gov, under the heading "Financial Information", posts the State's audited financial statements. In addition, the Financial Information section includes the State's Rule 15c2-12 filings for State bond issues. The Financial Information section also includes the Overview of the State Economy and Government, State Finances, State Indebtedness, Litigation from the State's most current Official Statement, which discusses the State budget and its impact on school districts.
- The California Department of Finance's Internet home page at www.dof.ca.gov, under the heading "California Budget", includes the text of proposed and adopted State budgets.
- The State Legislative Analyst's Office prepares analyses of the proposed and adopted State budgets. The analyses are accessible on the Legislative Analyst's Internet home page at www.lao.ca.gov under the heading "Subject Area – Budget (State)".

Prior Years' Budgeting Techniques. Declining revenues and fiscal difficulties which arose in the State commencing in fiscal year 2008-09 led the State to undertake a number of budgeting strategies, which had subsequent impacts on local agencies within the State. These techniques included the issuance of IOUs in lieu of warrants (checks), the enactment of statutes deferring amounts owed to public schools, until a later date in the fiscal year, or even into the following fiscal year (known as statutory deferrals), trigger reductions, which were budget cutting measures which were implemented or could have been implemented if certain State budgeting goals were not met, among others, and the dissolution of local redevelopment agencies in part to make available additional funding for local agencies. As a result of the COVID-19 pandemic and subsequent economic recession, budget-cutting strategies such as those used in recent years are being used and may continue to be used in the future during a period of budgetary strain.

2013-14 State Budget: Significant Change in Education Funding. As described previously herein, the 2013-14 State Budget and its related implementing legislation enacted significant reforms to the State's system of K-12 education finance with the enactment of the

LCFF. Significant reforms such as the LCFF and other changes in law may have significant impacts on the District's finances.

2020-21 State Budget

Introduction and Background. The Governor signed the fiscal year 2020-21 State Budget (the “**2020-21 State Budget**”) on June 29, 2020. The 2020-21 State Budget notes that the COVID-19 pandemic has impacted every sector of the State's economy and has caused record high unemployment, and further action from the federal government is needed as a result of the crisis. The Governor is pursuing \$1 trillion in flexible federal aid to state and local governments across the country, which support will be critical to mitigate the effects of the public health crisis, encourage recovery, and support persons in need.

At the time of the Governor's proposed 2020-21 State Budget in January, the State was projecting a surplus of \$5.6 billion. At the time of the May Revision with respect to the 2020-21 State Budget, the State had a budget deficit of \$54.3 billion. The 2020-21 State Budget includes measures to close the gap and bring the State's resources and spending into balance while preserving reserves for future years.

To reduce the structural deficit in the coming years, the 2020-21 State Budget sustains the January 1, 2022 suspension of several ongoing programmatic expansions that were made in the 2019 Budget Act. In addition, the 2020-21 State Budget accelerates the suspension of most Proposition 56 (2016 tobacco tax measure) tax rate increases to July 1, 2021. Despite these measures, the State forecasts an operating deficit of \$8.7 billion in 2021-22, after accounting for reserves.

Closing the Budget Gap. The 2020-21 State Budget uses the following strategies to close the budget gap:

- Reserve Draw Down: Draws down \$8.8 billion in reserves, including from the State's Rainy Day Fund (\$7.8 billion), the Safety Net Reserve (\$450 million), and all of the funds in the Public School System Stabilization Account.
- Triggers: Includes \$11.1 billion in funding reductions and deferrals that will be restored if at least \$14 billion in federal funds are received by October 15, 2020. If the State receives a lesser amount between \$2 billion and \$14 billion, the reductions and deferrals will be partially restored. The trigger includes \$6.6 billion in deferred funding for schools.
- Federal Funds: Relies on \$10.1 billion in federal funds that provide State general fund relief, including \$8.1 billion already received.
- Revenues: Temporarily suspends the use of net operating losses for medium and large businesses and temporarily limits to \$5 million the amount of business incentive credits a taxpayer can use in any given tax year. These short-term limitations will generate \$4.4 billion in new revenues in the 2020-21 fiscal year.
- Borrowing/Transfers/Deferrals: Relies on \$9.3 billion in special fund borrowing and transfers, as well as other deferrals for K-14 schools.

Approximately \$900 million in additional special fund borrowing is associated with the reductions to employee compensation and is contained in the trigger.

- Other Solutions: Cancelling multiple program expansions and anticipating increased government efficiencies, higher ongoing revenues above the May Revision forecast and lower health and human services caseload costs than the May Revision estimated.

General Budget Highlights. Certain highlights of the 2020-21 State Budget are:

Emergency Response: COVID-19 and other emergency response efforts included in the 2020-21 State Budget are:

- Responding to COVID-19: The State expects to receive over \$72 billion in federal assistance to State programs, of which unemployment insurance represents about \$52 billion of this total. Under the CARES Act, the State received \$9.5 billion for various uses including \$4.4 billion to mitigate K-14 learning loss. The amount of \$5.9 million of General Fund spending for 2020-21 and \$4.8 million ongoing is allocated to support the State Department of Health's response to COVID-19.

- Enhancements to Emergency Responses and Preparedness: \$117.6 million is allocated to the State Office of Emergency Services to enhance emergency preparedness and response capabilities, including with respect to power outages, earthquakes, wildfires and cybersecurity.

- Forestry and Fire Protection: \$90 million is allocated to enhance CAL FIRE's fire protection capabilities, including for wildfire prediction and modeling technology.

Revenue Solutions. Revenue measures which are expected to net \$4.3 billion in 2020-21, \$3.1 billion in 2021-22 and \$1.3 billion in 2022-23, include:

- Certain Tax Measure Extensions. Extending certain tax measures including certain sales tax exemptions through the end of 2022-23, extending the carryover period for film credits from 6 years to 9 years, and extending the current exemption from the minimum tax for first year corporations to first year limited liability corporations, partnerships, and limited liability partnerships.

- Expansion of Earned Income Tax. Expanding the Earned Income Tax Credit to certain taxpayers.

- Changes to Tax Laws and Sales Tax. Changes in tax law including suspending net operating losses for 2020, 2021, and 2022 for medium and large businesses, and limiting certain business incentive tax credits, and with respect to closing the sale tax loss gap, requiring used car dealers to remit sales tax to the Department of Motor Vehicles with registration fees.

Recovery for Small Businesses. The 2020-21 State Budget includes a waiver of the minimum franchise tax for the first year of operation, \$100 million budgeted for the State's small business loan program, \$25 million to provide capital to enable the

origination of more loans in underbanked communities, and adding funding of \$758,000 ongoing for positions relating to small business support.

Housing. Up to \$500 million is allocated in State tax credits for low-income housing in 2021, under certain conditions. The 2020-21 State Budget provides \$331 million in National Mortgage Settlement funds to help prevent avoidable foreclosures and evictions, and \$8.3 billion across multiple departments and programs to address housing throughout the State.

K-12 Education Funding Summary. For K-12 education funding, the 2020-21 State Budget provides for funding under Proposition 98 of \$70.9 billion, which is more than \$10 billion below the minimum guarantee contained in the State's 2019-20 budget. For K-12 schools, this results in Proposition 98 per pupil spending of \$10,654 in 2020-21, which is a \$1,339 decrease over the 2019-20 per pupil spending levels. Additionally, in the same period, per pupil spending from all State, federal, and local sources decreased by approximately \$542 per pupil to \$16,881.

Efforts to mitigate the impact of the decline in K-12 funding in the 2020-21 State Budget include:

Deferrals: \$1.9 billion of LCFF apportionment deferrals in 2019-20, growing to \$11 billion LCFF apportionment deferrals in 2020-21. These deferrals will allow LCFF funding to remain at 2019-20 levels in both fiscal years. The statutory LCFF cost-of-living adjustment is suspended in 2020-21. Of the total deferrals, \$5.8 billion will be triggered off in 2020-21 if the federal funding becomes available.

Learning Loss Mitigation: A one-time investment of \$5.3 billion (\$4.4 billion federal Coronavirus Relief Fund, \$539.9 million Proposition 98 General Fund, and \$355.2 million federal Governor's Emergency Education Relief Fund) to local educational agencies to address learning loss related to COVID-19 school closures. Funds will be allocated to local educational agencies on an equity basis, with an emphasis on ensuring the greatest resources are available to local educational agencies serving students with the greatest needs.

Supplemental Appropriations: In 2019-20 and 2020-21, the Proposition 98 funding level drops below the target funding level by a total of approximately \$12.4 billion. To accelerate the recovery from this funding reduction, the 2020-21 State Budget provides supplemental appropriations above the constitutionally-required Proposition 98 funding level, beginning in 2021-22, and in each of the next several fiscal years, in an amount equal to 1.5% of State general fund revenues per year, up to a cumulative total of \$12.4 billion.

Revised PERS and STRS Contributions. To provide local educational agencies with increased fiscal relief, the 2020-21 State Budget redirects \$2.3 billion appropriated in the 2019 Budget Act to STRS and PERS for long-term unfunded liabilities to reduce employer contribution rates in 2020-21 and 2021-22. This reallocation will reduce the STRS employer rate from 18.41% to approximately 16.15% in 2020-21 and from 17.9% to 16.02% in 2021-22. The PERS Schools Pool employer contribution rate will be further reduced from 22.67% to 20.7% in 2020-21 and from 24.6% to 22.84% in 2021-22.

Federal Funds. The 2020-21 State Budget appropriates \$1.6 billion in federal Elementary and Secondary School Emergency Relief funds that the State was awarded. Of this amount, 90% (\$1.5 billion) will be allocated to local educational agencies in proportion to the amount of Title I-A funding they receive to be used for COVID-19 related costs. The remaining 10% (\$164.7 million) is available for certain COVID-19 related State-level activities, such as providing additional funding for student meals and social services.

Special Education. The 2020-21 State Budget increases special education base rates to \$625 per pupil pursuant to a new funding formula, apportioned using the existing hold harmless methodology, and provides \$100 million to increase funding for students with low-incidence disabilities. Additional federal funding received by the State is also allocated to various special education programs.

Average Daily Attendance. To ensure funding stability regardless of the instructional model undertaken in the 2020-21 academic year, the 2020-21 State Budget includes a hold harmless for the average daily attendance used to calculate school funding for all local educational agencies and includes requirements for distance learning to ensure that, when in-person instruction is not possible, students continue to receive access to a quality education via distance learning.

In addition, the 2020-21 State Budget includes certain employee protection terms to ensure the continuity of employment for essential school staff during the COVID-19 pandemic. As such, the 2020-21 State Budget includes the suspension of the August 15, 2020, layoff window for teachers and other non-administrative certificated staff, and the suspension of layoffs for classified staff working in transportation, nutrition, and custodial services from July 1, 2020 through June 30, 2021. The 2020-21 State Budget also includes the intent of the State Legislature that school districts, community college districts, joint powers authorities, and county offices of education retain all classified employees in the 2020-21 fiscal year.

Proposed 2021-22 State Budget

On January 8, 2021, the Governor submitted a \$227.2 billion 2021-22 State Budget proposal (the “**2021-22 Proposed Budget**”) to the Legislature. The Governor has called for immediate legislative action to provide rapid relief to individuals, families and small businesses hit hardest by the COVID-19 pandemic, including direct payments to low-income workers; funding for grants to small businesses and small non-profit cultural institutions disproportionately impacted by the pandemic fee relief for small businesses including personal services and restaurants; funds to support and accelerate safe returns to in-person instruction starting in February 2021; and an increase in the State’s minimum wage to \$14 per hour.

Reflecting an improved economic outlook and a \$15 billion revenue surplus since the 2020 Budget Act, highlights of the 2021-22 Proposed Budget are:

- \$85.8 billion in Proposition 98 funding for K-12 schools and community colleges, including \$2 billion to support and accelerate safe returns to in-person instruction, \$4.6 billion to help students bounce back from the impacts of the pandemic and \$400 million for school-based mental health services. See “– K-14 Education Spending” below.

- \$372 million to speed up administration of vaccines across all of California's 58 counties and a \$14 billion investment in the State's economic recovery, including direct cash supports of \$600 to millions of Californians through the Golden State Stimulus, extending new protections and funding to help keep people in their homes and investing in relief grants for small businesses.
- Budget reserves of \$34 billion, including \$15.6 billion in the Proposition 2 Budget Stabilization Account (Rainy Day Fund) for fiscal emergencies; \$450 million in the Safety Net Reserve; \$3 billion in the Public School System Stabilization Account; and an estimated \$2.9 billion in the state's operating reserve.
- In order to pay down the State's retirement liabilities, the 2021-22 Proposed Budget includes \$3 billion in additional payments required by Proposition 2 in 2021-22 and nearly \$6.5 billion over the next three years.

K-12 Education Spending. The 2021-22 Proposed Budget's improved revenue estimate results in the highest funding level ever at \$85.8 billion for K-12 schools and community college districts under Proposition 98, representing an increased investment of \$14.9 billion in K-12 schools and community colleges above the level funded in the 2020 Budget Act. The Proposition 98 funding levels for the 2019-20 and 2020-21 fiscal years increased from 2020 Budget Act levels by \$1.9 billion and \$11.9 billion, respectively, due almost exclusively to increased General Fund revenues in all fiscal years. Reflecting the changes to Proposition 98 funding levels noted above, total K-12 per-pupil expenditures from all sources are projected to be \$18,837 in 2020-21 and \$18,000 in 2021-22—the highest levels ever (K-12 Education Spending Per Pupil). The decrease between 2020-21 and 2021-22 reflects the significant allocation of one-time federal funds in 2020-21. Ongoing K-12 per-pupil expenditures of Proposition 98 funds are \$12,648 in 2021-22, an increase of \$1,994 per pupil over the level provided in the 2020 Budget Act.

The 2021-22 Proposed Budget also includes \$4.6 billion Proposition 98 General Fund revenues for extending learning time, including summer school programs and other strategies to address learning loss related to the pandemic. The 2021-22 Proposed Budget continues to commit \$2.3 billion General Fund one-time in recognition of the additional costs schools face as they respond to the pandemic. The 2021-22 Proposed Budget directs a significant portion of additional funding to paying down nearly two-thirds of the deferrals implemented in 2020-21 and provides a 3.84% cost-of-living adjustment to the Local Control Funding Formula. The significant growth in capital gains and overall General Fund revenue growth also triggers deposits of roughly \$3 billion into the Public School System Stabilization Account, resulting in a statutory cap of 10 percent on local school district reserves beginning in 2022-23.

Funds to Implement In-Person Learning. The 2021-22 Proposed Budget includes \$2 billion of one-time Proposition 98 funding available beginning in February 2021, to augment resources for schools to offer in-person instruction safely. This funding will be available on a per-pupil basis for all county schools, school districts, and charter schools that are open for in-person instruction by specified dates. For schools that continue offering or begin offering in-person instruction for at least all TK-2nd grade students, all students with disabilities, youth in foster care, homeless youth, and students without access to technology or high-speed Internet by February 16, and all 3rd-6th grade students by March 15, base grant amounts will be \$450, increasing to more than \$700 per pupil for schools with a high enrollment of low-income students, youth in foster care, and English language learners. Schools with later start dates will qualify for a proportionally lower base grant, except those in counties with high rates of community spread. Schools in counties with high rates

of community spread will be eligible for the full February grant amount if they open for in-person instruction pursuant to state and local health guidance once their rates of community spread sufficiently decline. Funds may be used for any purpose that supports in-person instruction, including enhancing and expanding COVID-19 testing, purchasing personal protective equipment, improving ventilation and the safety of indoor or outdoor learning spaces, teacher or classified staff salaries for those providing and supporting in-person instruction, and social and mental health support services provided in conjunction with in-person instruction.

Federal Funds. The recent federal COVID-19 relief bill provides \$54.3 billion Elementary and Secondary Schools Emergency Relief Fund (ESSER) for public K-12 schools and \$4 billion Governor's Emergency Education Relief Fund (GEER) for both public and private pre-kindergarten through higher education institutions. Based on prior allocations, the Budget projects that California could receive more than \$6 billion in ESSER funds and \$400 million in GEER funds.

LCFF Funding. Due to a significant reduction in available revenues, the 2020 Budget Act did not provide a statutory cost-of-living adjustment for the LCFF in 2020-21. To make up for this, the Budget funds the LCFF in 2021-22 with both the 2020-21 cost-of-living adjustment (2.31%) and the 2021-22 cost-of-living adjustment (1.5%), creating a compounded combined cost-of-living adjustment of 3.84%, and increasing ongoing LCFF funding by \$2 billion Proposition 98 General Fund, when adjusted for declining ADA. This increase brings total LCFF funding to \$64.5 billion, and funds all local educational agencies at their full LCFF target level.

Deferrals. Pandemic-driven revenue reductions anticipated at the 2020 Budget Act created the need to defer LCFF apportionments, in the amounts of \$1.9 billion in 2019-20, growing to more than \$11 billion in 2020-21. The Budget pays off the full K-12 deferral in 2019-20 and \$7.3 billion of the K-12 deferral in 2020-21, leaving an ongoing K-12 deferral balance of \$3.7 billion in 2021-22. As a result, local educational agencies will experience only a few weeks of delay in receiving apportionment in 2021-22 (as opposed to ten-month deferrals in 2020-21), impacting only impact the June 2022 apportionment, which will be delayed into July 2022.

PERS and STRS Contributions. For 2021-22, STRS will apply \$820 million to reduce the employer contribution rate from 18.1% to approximately 15.92%, and PERS will apply \$330 million to reduce the Schools Pool employer contribution rate from 24.9% to 23%.

School Facilities. The Budget continues to allocate \$1.5 billion of Proposition 51 bond funds to support school construction projects, which is more than double the amount allocated in 2018-19.

Higher Education. The Budget proposes a General Fund increase of \$786 million for the University of California and the California State University with an expectation that they focus on measurable goals to address equity gaps, further maintain online educational opportunities and expand dual admissions and other innovative strategies that reduce time to degree completion. The Budget also assumes resident tuition and fees remain flat in 2021-22.

Disclaimer Regarding State Budgets

The execution of State budgets including the above may be affected by numerous factors, including but not limited to: (i) shifts in costs from the federal government to the State, (ii) national, State and international economic conditions, (iii) litigation risks associated with proposed spending reductions, (iv) rising health care costs and/or other unfunded liabilities, such as pension or OPEB, and (v) numerous other factors, all or any of which could cause the revenue and

spending projections included in such budgets to be unattainable. The District cannot predict the impact that the 2020-21 State Budget or subsequent State Budgets, will have on its own finances and operations.

The State has not entered into any contractual commitments with the District, the County, the Underwriter or the owners of the Bonds to provide State budget information to the District or the owners of the Bonds. Although they believe the sources of information listed below are reliable, neither the District nor the Underwriter assumes any responsibility for the accuracy of State budget information set forth or referred to or incorporated in this Official Statement.

Availability of State Budgets. The complete 2020-21 State Budget and 2021-22 Proposed Budget available from the California Department of Finance website at www.ebudget.ca.gov. An impartial analysis of the budget is published by the Legislative Analyst Office, and is available at www.lao.ca.gov/budget. The District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted on these sites, and such information is not incorporated in this Official Statement by these references. The information referred to above should not be relied upon when making an investment decision with respect to the Bonds.

Uncertainty Regarding Future State Budgets. The District cannot predict what actions will be taken in future years by the State legislature or the Governor to address the State's current or future revenues and expenditures, or possible future budget deficits. Future State budgets will be affected by national and State economic conditions and other factors over which the District has no control. The District cannot predict what impact any future budget proposals will have on the financial condition of the District. To the extent that the State budget process results in reduced revenues to the District, the District will be required to make adjustments to its own budgets.

Legal Challenges to State Funding of Education

The application of Proposition 98 and other statutory regulations has been the subject of various legal challenges in the past. The District cannot predict if or when there will be changes to education funding or legal challenges which may arise relating thereto.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Principal of and interest of the Bonds are payable from the proceeds of an *ad valorem* tax levied by the County for the payment thereof. Articles XIII A, XIII B, XIII C, and XIII D of the State Constitution, Propositions 62, 98, 111 and 218, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the District to levy taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the District's voters in compliance with Article XIII A and all applicable laws.

Constitutionally Required Funding of Education

The State Constitution requires that from all State revenues, there shall be first set apart the moneys to be applied by the State for the support of the public school system and public institutions of higher education. School districts receive a significant portion of their funding from State appropriations. As a result, decreases and increases in State revenues can significantly affect appropriations made by the State Legislature to school districts.

Article XIII A of the California Constitution

Basic Property Tax Levy. On June 6, 1978, California voters approved Proposition 13 (“**Proposition 13**”), which added Article XIII A to the State Constitution (“**Article XIII A**”). Article XIII A limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) (as a result of an amendment to Article XIII A approved by State voters on June 3, 1986) bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness, and (iii) (as a result of an amendment to Article XIII A approved by State voters on November 7, 2000) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. The tax for the payment of the Bonds falls within the exception described in (iii) of the immediately preceding sentence. Article XIII A defines full cash value to mean “the county assessor’s valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment”. This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Both the United States Supreme Court and the California State Supreme Court have upheld the general validity of Article XIII A.

Legislation Implementing Article XIII A. Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

Inflationary Adjustment of Assessed Valuation. As described above, the assessed value of a property may be increased at a rate not to exceed 2% per year to account for inflation. On December 27, 2001, the Orange County Superior Court, in *County of Orange v. Orange County Assessment Appeals Board No. 3*, held that where a home’s taxable value did not increase for two years, due to a flat real estate market, the Orange County assessor violated the 2% inflation adjustment provision of Article XIII A, when the assessor tried to “recapture” the tax value of the property by increasing its assessed value by 4% in a single year. The assessors in most California counties, including the County, use a similar methodology in raising the taxable values of property beyond 2% in a single year. The SBE has approved this methodology for increasing assessed values. On appeal, the Appellate Court held that the trial court erred in ruling that assessments are always limited to no more than 2% of the previous year’s assessment. On May 10, 2004 a petition for review was filed with the California Supreme Court. The petition has been denied by the California Supreme Court. As a result of this litigation, the “recapture” provision described above may continue to be employed in determining the full cash value of property for property tax purposes.

Article XIII B of the California Constitution

Article XIII B (“**Article XIII B**”) of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year under the provisions of Article XIII B, as amended.

The appropriations of an entity of local government subject to Article XIII B limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. “Proceeds of taxes” include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all

qualified capital outlay projects as defined by the legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIIB includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years. However, in the event that a school district's revenues exceed its spending limit, the district may in any fiscal year increase its appropriations limit to equal its spending by borrowing appropriations limit from the State.

Article XIIB also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund under Section 8.5 of Article XVI of the State Constitution.

Unitary Property

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

Articles XIIC and XIID of the California Constitution

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the California Constitution Articles XIIC and XIID (respectively, "**Article XIIC**" and "**Article XIID**"), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4.

On November 2, 2010, Proposition 26 was approved by State voters, which amended Article XIIC to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.

Article XIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIC or XIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

While the provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District (thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District), the District does not believe that Proposition 218 will directly impact the revenues available to pay debt service on the Bonds.

Proposition 98

On November 8, 1988, California voters approved Proposition 98, a combined initiative constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act” (the “**Accountability Act**”). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changes State funding of public education below the university level and the operation of the State’s appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as “K-14 school districts”) at a level equal to the greater of (a) the same percentage of general fund revenues as the percentage appropriated to such districts in 1986-87, and (b) the amount actually appropriated to such districts from the general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the Legislature to suspend this formula for a one-year period.

The Accountability Act also changes how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 school districts. Any such transfer to K-14 school districts would be excluded from the appropriations limit for K-14 school

districts and the K-14 school district appropriations limit for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIII B surplus. The maximum amount of excess tax revenues which could be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Proposition 111

On June 5, 1990, the voters approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limit Act of 1990" ("**Proposition 111**") which further modified Article XIII B and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation. The most significant provisions of Proposition 111 are summarized as follows:

Annual Adjustments to Spending Limit. The annual adjustments to the Article XIII B spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California *per capita* personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIII B are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIII B spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the Legislature. Second, there are excluded any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the Legislature and the Governor, which expected to raise over \$15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

Recalculation of Appropriations Limit. The Article XIII B appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund

revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues (the “**first test**”) or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIB by reference to *per capita* personal income) and enrollment (the “**second test**”). Under Proposition 111, schools will receive the greater of (1) the first test, (2) the second test, or (3) a third test, which will replace the second test in any year when growth in *per capita* State general fund revenues from the prior year is less than the annual growth in California per capita personal income (the “**third test**”). Under the third test, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and *per capita* State general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test will become a “credit” to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as “**Proposition 39**”) to the California Constitution. This amendment (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. Constitutional amendments may be changed only with another statewide vote. The statutory provisions could be changed by a majority vote of both houses of the Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by Proposition 39 are K-12 school districts including the District, community college districts, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1% of the value of property. Prior to the approval of Proposition 39, property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate levied as the result of any single election be no more than \$60 (for a unified school district), \$30 (for an elementary school district or high school district), or \$25 (for a community college district), per \$100,000 of taxable property value. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the Legislature and approval by the Governor.

Proposition 1A and Proposition 22

On November 2, 2004, California voters approved Proposition 1A, which amended the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local

governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-thirds approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Under Proposition 1A, beginning in 2008-09, the State may shift to schools and community colleges a limited amount of local government property tax revenue if certain conditions are met, including: (i) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (ii) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amended the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, a constitutional initiative entitled the “Local Taxpayer, Public Safety, and Transportation Protection Act of 2010,” approved on November 2, 2010, superseded many of the provision of Proposition 1A. This initiative amends the State constitution to prohibit the legislature from diverting or shifting revenues that are dedicated to funding services provided by local government or funds dedicated to transportation improvement projects and services. Under this proposition, the State is not allowed to take revenue derived from locally imposed taxes, such as hotel taxes, parcel taxes, utility taxes and sales taxes, and local public transit and transportation funds. Further, in the event that a local governmental agency sues the State alleging a violation of these provisions and wins, then the State must automatically appropriate the funds needed to pay that local government. This Proposition was intended to, among other things, stabilize local government revenue sources by restricting the State’s control over local property taxes. Proposition 22 did not prevent the California State Legislature from dissolving State redevelopment agencies pursuant to AB 1X26, as confirmed by the decision of the California Supreme Court decision in *California Redevelopment Association v. Matosantos* (2011).

Because Proposition 22 reduces the State’s authority to use or reallocate certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget, such as reducing State spending or increasing State taxes, and school and college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State’s general fund.

Proposition 30 and Proposition 55

The Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as “**Proposition 30**”), temporarily increased the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposed an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposed an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017. This excise tax was levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending December 31, 2018, Proposition 30 increases the marginal personal income tax rate by: (i) 1% for taxable income over \$250,000 but less than \$300,000 for single filers (over \$500,000 but less than \$600,000 for joint filers), (ii) 2% for taxable income over \$300,000 but less than

\$500,000 for single filers (over \$600,000 but less than \$1,000,000 for joint filers), and (iii) 3% for taxable income over \$500,000 for single filers (over \$1,000,000 for joint filers). Proposition 55 (described below) extended said increases to personal income rates through the end of 2030.

The revenues generated from the temporary tax increases will be included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts. See “Proposition 98” and “Proposition 111” above. From an accounting perspective, the revenues generated from the temporary tax increases will be deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the “EPA”). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to schools districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than \$200 per unit of ADA and no community college district will receive less than \$100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that, the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing boards are prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

The California Children’s Education and Health Care Protection Act of 2016, also known as Proposition 55, was a proposed constitutional amendment initiative that was approved on the November 8, 2016 general election ballot in California. Proposition 55 extends the increases to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30 through 2030, instead of the scheduled expiration date of December 31, 2018. Tax revenue received under Proposition 55 is to be allocated 89% to K-12 schools and 11% to community colleges. Proposition 55 did not extend the sales or excise tax increases of Proposition 30.

California Senate Bill 222

Senate Bill 222 (“**SB 222**”) was signed by the California Governor on July 13, 2015 and became effective on January 1, 2016. SB 222 amended Section 15251 of the California Education Code and added Section 52515 to the California Government Code to provide that voter approved general obligation bonds which are secured by *ad valorem* tax collections such as the Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. Said lien shall attach automatically and is valid and binding from the time the bonds are executed and delivered. The lien is enforceable against the issuer, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any further act. The effect of SB 222 is the treatment of general obligation bonds as secured debt in bankruptcy due to the existence of a statutory lien.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C and Article XIII D of the California Constitution and Propositions 98, 111, 22, 26, 30, 39 and 55 were each adopted as measures that qualified for the ballot under the State’s initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District’s ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

APPENDIX B

**PACIFIC GROVE UNIFIED SCHOOL DISTRICT
AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2019-20**

APPENDIX C

GENERAL AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY OF PACIFIC GROVE AND MONTEREY COUNTY

The Bonds are not a debt of the City of Pacific Grove (the “City”) or Monterey County (the “County”). The County, including its Board of Supervisors, officers, officials, agents and other employees, are required, only to the extent required by law, to: (i) levy and collect ad valorem taxes for payment of the Bonds in accordance with the law; and (ii) transmit the proceeds of such taxes to the paying agent for the payment of the principal of and interest on the Bonds at the time such payment is due.

The economic and demographic data contained in this Appendix are the latest available, but are generally as of dates and for periods before the economic impact of the COVID-19 pandemic and the measures instituted to slow it. Accordingly, they are not necessarily indicative of the current financial condition or future economic prospects of the District, the City, the County or the region.

General Information

The City. The City of Pacific Grove (the “City”) is a small, coastal community surrounded by the Pacific Ocean, the Del Monte forest and the City of Monterey. The City has a warm-summer Mediterranean climate and was incorporated in 1889.

The County. The County borders the Pacific Ocean almost at the midpoint of the California coastline, approximately 130 miles south of San Francisco and 240 miles north of Los Angeles. Incorporated in 1850 as one of the State's original 27 counties, the City of Salinas is the County seat. The County covers an area of approximately 3,300 square miles, with a population in excess of 421,000. Agriculture, tourism, and government are major contributors to the County's economy. The Salinas Valley, located in the eastern portion of the County, is a rich agricultural center and one of the nation's major vegetable producing areas. Most of the county's people live near the northern coast and Salinas Valley, while the southern coast and inland mountain regions are almost devoid of human habitation.

The Monterey Peninsula, famed for its scenic beauty, is a year-round tourist attraction. Pebble Beach, Cypress Point, Spyglass Hill, Poppy Hills and The Links at Spanish Bay are well known Monterey Peninsula golf courses. The Monterey Bay Aquarium and the City of Carmel also are attractions that draw tourists to the Monterey Peninsula. The coastline, including Big Sur, State Route 1, and the 17 Mile Drive on the Monterey Peninsula, has made the county world famous.

Population

The following table lists population estimates for the City, the County, and the State of California (the “**State**”) for the last five calendar years, as of January 1.

MONTEREY COUNTY
Population Estimates
Calendar Years 2016 through 2020 as of January 1

	2016	2017	2018	2019	2020
Carmel-by-the-Sea	3,896	3,915	3,920	3,939	3,949
Del Rey Oaks	1,672	1,678	1,671	1,674	1,662
Gonzales	8,513	8,551	8,535	8,566	8,506
Greenfield	17,650	18,013	18,023	18,109	18,284
King City	14,001	14,214	14,327	14,540	14,797
Marina	21,589	22,051	22,303	22,688	22,321
Monterey	28,181	28,234	28,016	27,992	28,170
Pacific Grove	15,457	15,489	15,355	15,360	15,265
Salinas	160,220	161,124	161,446	162,353	162,222
Sand City	364	365	380	383	385
Seaside	33,781	33,703	33,705	33,047	33,537
Soledad	25,311	25,726	25,593	25,745	25,301
Balance of County	104,765	105,660	105,919	106,908	106,744
Total	435,400	438,723	439,193	441,304	441,143
State Total	39,131,307	39,398,702	39,586,646	39,695,376	39,782,870

Source: State Department of Finance estimates (as of January 1).

Employment and Industry

The City is included in the Salinas Metropolitan Statistical Area (“MSA”). The unemployment rate in the Salinas MSA was 11.47% in December 2020, up from a revised 7.7% in November 2020, and above the year-ago estimate of 7.2%. This compares with an unadjusted unemployment rate of 8.8% for the State and 6.5% for the nation during the same period.

The table below list employment by industry group for Monterey County for the years 2015 to 2019.

**SALINAS METROPOLITAN STATISTICAL AREA
(MONTEREY COUNTY)
Annual Averages Civilian Labor Force, Employment and Unemployment,
Employment by Industry
(March 2019 Benchmark)**

	2015	2016	2017	2018	2019
Civilian Labor Force ⁽¹⁾	218,200	218,700	219,700	222,200	222,500
Employment	200,500	202,000	204,000	207,900	208,700
Unemployment	17,700	16,800	15,700	14,200	13,800
Unemployment Rate	8.1%	7.7%	7.2%	6.4%	6.2%
<u>Wage and Salary Employment:</u> ⁽²⁾					
Agriculture	53,000	53,300	53,200	55,000	54,700
Mining and Logging	300	200	200	200	300
Construction	5,200	5,800	6,000	6,400	6,500
Manufacturing	5,500	5,400	5,600	5,400	5,300
Wholesale Trade	26,000	26,100	26,200	26,700	26,700
Retail Trade	5,300	5,300	5,600	5,900	5,800
Transportation, Warehousing, Utilities	16,400	16,500	16,400	16,800	16,800
Information	4,300	4,300	4,100	4,000	4,200
Finance and Insurance	1,300	1,100	1,100	1,000	1,000
Real Estate and Rental and Leasing	4,100	4,200	4,300	4,500	4,400
Professional and Business Services	12,800	13,400	13,200	14,000	14,800
Educational and Health Services	18,400	18,800	19,700	19,900	20,400
Leisure and Hospitality	23,400	24,300	24,500	25,300	26,200
Other Services	5,000	5,100	5,200	5,100	5,100
Federal Government	5,100	5,100	5,100	5,100	5,200
State Government	5,700	5,800	5,700	5,700	5,600
Local Government	20,300	21,000	22,500	23,800	23,800
Total, All Industries ⁽³⁾	186,100	189,500	192,400	198,000	200,000

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Totals may not add due to rounding.

Source: State of California Employment Development Department.

Major Employers

The table below lists the major employers in the County, listed alphabetically, as of February 2021.

MONTEREY COUNTY Major Employers

Employer Name	Location	Industry
Al Pak Labor	Soledad	Fruits & Vegetables-Wholesale
Azcona Harvesting	Greenfield	Harvesting-Contract
Carol Hatton Breast Care Ctr	Monterey	Diagnostic Imaging Centers
County-Monterey Behavioral	King City	Health Services
Dole	Soledad	Fruits & Vegetables-Growers & Shippers
Fort Hunter Liggett Military	Jolon	Military Bases
Hilltown Packing Co	Salinas	Harvesting-Contract
Mann Packing Co	Salinas	Fruits & Vegetables-Growers & Shippers
Middlebury Institute-Intl	Monterey	University-College Dept/Facility/Office
Misionero Vegetables	Gonzales	Fruits & Vegetables-Growers & Shippers
Monterey County Social Svc Dpt	Salinas	Government Offices-County
Monterey Peninsula College	Monterey	Junior-Community College-Tech Institutes
Natividad Medical Ctr	Salinas	Hospitals
Natividad Medical Ctr	Salinas	Medical Centers
Ord Community Commissary	Seaside	Military Bases
Pebble Beach Co	Pebble Beach	Resorts
Pebble Beach Co	Pebble Beach	Resorts
Premier Raspberry LLC	Royal Oaks	Grocers-Wholesale
Premium Harvesting & Packing	Salinas	Labor Contractors
Presidio of Monterey	Monterey	Military Bases
Quality Farm Labor	Gonzales	Labor Contractors
R C Packing	Gonzales	Packing & Crating Service
Salinas Valley Meml Healthcare	Salinas	Health Care Management
US Defense Manpower Data Ctr	Seaside	Government Offices-Us
Valley Harvesting	Greenfield	Crop Harvesting-Primarily By Machine

Source: State of California Employment Development Department, extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2020 2nd Edition.

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Construction Activity

Provided below are the building permits and valuations for the City and the County for calendar years 2015 through 2019.

CITY OF PACIFIC GROVE Total Building Permit Valuations (Valuations in Thousands)

	2015	2016	2017	2018	2019
<u>Permit Valuation</u>					
New Single-family	\$0.0	\$0.0	\$0.0	\$1,690.0	\$3,312.0
New Multi-family	0.0	5,000.0	0.0	1,500.0	0.0
Res. Alterations/Additions	<u>9,062.9</u>	<u>9,154.0</u>	<u>8,562.5</u>	<u>8,066.1</u>	<u>6,421.7</u>
Total Residential	9,062.9	14,154.0	8,562.5	11,256.1	9,733.7
New Commercial	95.0	0.0	0.0	0.0	0.0
New Industrial	0.0	0.0	0.0	0.0	0.0
New Other	0.0	0.0	0.0	0.0	0.0
Com. Alterations/Additions	<u>2,269.9</u>	<u>10,553.5</u>	<u>2,080.7</u>	<u>1,397.0</u>	<u>2,400.2</u>
Total Nonresidential	2,364.9	10,553.5	2,080.7	1,397.0	2,400.2
New Dwelling Units					
Single Family	0	0	0	3	6
Multiple Family	<u>0</u>	<u>25</u>	<u>0</u>	<u>8</u>	<u>0</u>
TOTAL	0	25	0	11	6

Source: Construction Industry Research Board, Building Permit Summary.

MONTEREY COUNTY Total Building Permit Valuations (Valuations in Thousands)

	2015	2016	2017	2018	2019
<u>Permit Valuation</u>					
New Single-family	\$116,703.8	\$152,257.5	\$165,341.2	\$199,194.7	\$142,474.1
New Multi-family	38,947.6	22,331.7	33,319.0	51,460.6	23,670.0
Res. Alterations/Additions	<u>63,610.6</u>	<u>67,799.9</u>	<u>73,317.4</u>	<u>88,972.6</u>	<u>65,196.1</u>
Total Residential	219,262.0	242,389.1	271,977.6	339,627.9	231,340.2
New Commercial	62,031.5	66,171.2	62,156.5	54,935.5	54,317.0
New Industrial	4,418.3	5,469.5	8,871.2	4,774.8	2,007.1
New Other	23,916.7	8,442.4	8,938.4	19,555.8	8,897.4
Com. Alterations/Additions	<u>132,775.1</u>	<u>119,296.0</u>	<u>91,664.4</u>	<u>71,837.1</u>	<u>130,399.8</u>
Total Nonresidential	223,141.6	199,379.1	171,630.5	151,103.2	195,621.3
New Dwelling Units					
Single Family	374	486	523	611	574
Multiple Family	<u>258</u>	<u>118</u>	<u>178</u>	<u>212</u>	<u>116</u>
TOTAL	632	604	701	823	690

Source: Construction Industry Research Board, Building Permit Summary.

Effective Buying Income

“Effective Buying Income” is defined as personal income less personal tax and nontax payments, a number often referred to as “disposable” or “after-tax” income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor’s income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as “disposable personal income.”

The following table summarizes the median household effective buying income for the City, the County, the State and the United States for the period 2017 through 2020, and projected for 2021.

**CITY OF PACIFIC GROVE, MONTEREY COUNTY, STATE OF CALIFORNIA,
AND THE UNITED STATES
Effective Buying Income
Median Household
As of January 1, 2017 Through 2021**

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2017	City of Pacific Grove	\$595,855	\$63,692
	Monterey County	9,535,558	52,802
	California	1,036,142,723	55,681
	United States	8,132,748,136	48,043
2018	City of Pacific Grove	\$668,889	\$71,847
	Monterey County	10,045,200	56,609
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735
2019	City of Pacific Grove	\$713,413	\$74,331
	Monterey County	10,807,771	60,275
	California	1,183,264,399	62,637
	United States	9,017,967,563	52,841
2020	City of Pacific Grove	\$689,853	\$76,271
	Monterey County	11,180,302	65,078
	California	1,243,564,816	65,870
	United States	9,487,165,436	55,303
2021	City of Pacific Grove	\$712,104	\$75,514
	Monterey County	11,627,500	65,426
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790

Source: The Nielsen Company (US), Inc for years 2017 and 2018; Claritas, LLC for 2019 through 2021.

Taxable Transactions

A summary of historic taxable sales within the City during the past five years in which data is available is shown in the following table. Total taxable sales during the first two quarters of calendar year 2020 in the City were reported to be \$57,484,399 a 25.81% decrease over the total taxable sales of \$77,480,861 reported in the first two quarters of calendar year 2019.

CITY OF PACIFIC GROVE
Taxable Transactions
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2015	458	\$126,441	693	\$140,004
2016	472	128,013	703	139,592
2017	506	135,943	741	147,314
2018	496	132,143	743	145,720
2019	480	145,579	737	164,507

Source: State Department of Tax and Fee Administration.

A summary of historic taxable sales within the County during the past five years in which data is available is shown in the following table. Total taxable sales during the first two quarters of calendar year 2020 in the County were reported to be \$3,066,571,541 a 12.98% decrease over the total taxable sales of \$3,523,914,853 reported in the first two quarters of calendar year 2019.

MONTEREY COUNTY
Taxable Transactions
Number of Permits and Valuation Of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2015	4,176	\$4,500,692	11,534	\$6,404,117
2016	7,390	4,663,925	11,725	6,665,936
2017	7,544	4,837,195	11,959	6,884,900
2018	7,666	5,112,856	12,490	7,339,239
2019	7,725	5,123,077	12,816	7,405,525

Source: State Department of Tax and Fee Administration.

APPENDIX D**PROPOSED FORM OF OPINION OF BOND COUNSEL**

[LETTERHEAD OF JONES HALL]

_____, 2021

Board of Education
 Pacific Grove Unified School District
 435 Hillcrest Avenue
 Pacific Grove, CA 93950

OPINION: \$_____ Pacific Grove Unified School District General Obligation Bonds, Election of 2020, Series A

Members of the Board of Education:

We have acted as bond counsel to the Pacific Grove Unified School District (the "District") in connection with the issuance by the District of \$_____ principal amount of Pacific Grove Unified School District General Obligation Bonds, Election of 2020, Series A, dated the date hereof (together, the "Bonds"), under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and a resolution of the Board of Education adopted on March 18, 2021 (the "Resolution"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Board contained in the Resolution and in the certified proceedings and other certifications furnished to us, without undertaking to verify such facts by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The District is duly created and validly existing as a school district with the power to issue the Bonds and to perform its obligations under the Bond Resolution and the Bonds.
2. The Bond Resolution has been duly adopted by the Board and constitutes a valid and binding obligation of the Board enforceable against the Board in accordance with its terms.
3. The Bonds have been duly issued and sold by the District and are valid and binding general obligations of the District, and the County of Monterey is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation as to rate or amount (except for certain personal property that is taxable at limited rates).

4. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Tax Code”), and, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Tax Code), a deduction is allowed for 80 percent of that portion of such financial institutions’ interest expense allocable to the portion of the Bonds designated as and comprising interest.

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Tax Code relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds, and in order for the Bonds to be “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Tax Code. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds, or may cause the Bonds not to be “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Tax Code.

5. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

A Professional Law Corporation

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$ _____
PACIFIC GROVE UNIFIED SCHOOL DISTRICT
 (Monterey County, California)
General Obligation Bonds
Election of 2020, Series A
 (Bank Qualified)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “**Disclosure Certificate**”) is executed and delivered by the Pacific Grove Unified School District (the “**District**”) in connection with the execution and delivery of the captioned bonds (the “**Bonds**”). The Bonds are being executed and delivered pursuant to a resolution adopted by the Board of Education of the District on March 18, 2021 (the “**Resolution**”). U.S. Bank National Association is initially acting as paying agent for the Bonds (the “**Paying Agent**”).

The District hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4.

“*Annual Report Date*” means the date not later than nine months after the end of each fiscal year of the District (currently being March 31 based on a fiscal year ending June 30).

“*Dissemination Agent*” means, initially, Dale Scott & Company Inc., or any successor Dissemination Agent designated in writing by the District and which has filed with the District and the Paying Agent a written acceptance of such designation.

“*Listed Events*” means any of the events listed in Section 5(a).

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

“*Official Statement*” means the final official statement executed by the District in connection with the issuance of the Bonds.

“*Paying Agent*” means U.S. Bank National Association, San Francisco, California, or any successor thereto.

“*Participating Underwriter*” means the original purchaser of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2022 with the report for the 2020-21 fiscal year, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) to the MSRB in a timely manner, in an electronic format, as prescribed by the MSRB.

(c) With respect to each Annual Report, the Dissemination Agent shall:

- (i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and
- (ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, the following information with respect to the most recently completed fiscal year:

- (i) assessed valuation of taxable properties in the District for the most recently completed fiscal year or, if available at the time of filing the Annual Report, for the then-current fiscal year;
- (ii) assessed valuation of properties of the top twenty taxpayers in the District for the most recently completed fiscal year or, if available at the time of filing the Annual Report, for the then-current fiscal year;
- (iii) property tax collection delinquencies for the District for the most recently completed fiscal year, if available from the County at the time of filing the Annual Report, but only if the District's general obligation bond tax levy is not included in the Teeter Plan; and
- (iv) the District's most recently adopted Budget or approved interim report with budgeted figures, which is available at the time of filing the Annual Report.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission.

Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.

- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the District.
- (13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material.
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14), and (a)(15) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such

event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(e) For purposes of Section 5(a)(15) and (16), “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Dale Scott & Company Inc. Any Dissemination Agent may resign by providing 30 days’ written notice to the District and the Paying Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after

taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Resolution for amendments to the Resolution with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent will have no duty or obligation to review any information provided to it by the District hereunder, and shall not be deemed to be acting in any fiduciary capacity for the District, the Bondholders or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2021

PACIFIC GROVE UNIFIED SCHOOL DISTRICT

By: _____
Name: _____
Title: _____

ACCEPTANCE OF DUTIES
AS DISSEMINATION AGENT

DALE SCOTT & COMPANY INC.

By: _____
Name: _____
Title: _____

APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the District nor the Paying Agent take any responsibility for the information contained in this Section.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (in this Appendix, the “Bonds”). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned

subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting

rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from District or Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.

APPENDIX G
MONTEREY COUNTY INVESTMENT POLICY
AND INVESTMENT REPORT

OFFICIAL NOTICE OF SALE

\$ _____ *

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
(Monterey County, California)
GENERAL OBLIGATION BONDS
ELECTION OF 2020, SERIES A

NOTICE IS HEREBY GIVEN by the Board of Education of the Pacific Grove Unified School District (the "District"), that bids will be received by a representative of the District for the purchase of \$ _____ * principal amount of bonds of the District designated the "Pacific Grove Unified School District General Obligation Bonds Election of 2020, Series A" (the "Bonds"). Bids will be received in electronic form via BiDCOMP™/Parity® ("Parity") on

TUESDAY, APRIL 6, 2021

or, at the option of the District, on successive days thereafter until acceptance of a bid, in either case at **9:30 a.m. Pacific Time**. The District reserves the right to postpone or change the sale date upon 24 hours notice as described below. The Bonds will be issued under the provisions of a Resolution adopted by the Board of Education of the District on March 18, 2021 (the "Bond Resolution") and the laws of the State of California. The Bonds are more particularly described in the Bond Resolution on file with the District (and incorporated herein by reference) and copies thereof will be furnished to the bidder upon request.

Important Note: *The District has designated a minimum net original issue premium with which the Bonds will be sold. See "TERMS OF SALE - Form of Bid; Minimum Premium and Purchase Price" herein.*

DESCRIPTION OF THE BONDS

PURPOSE: The proceeds of the Bonds will be applied by the District for the purpose of financing the acquisition and construction of educational facilities to be used for the educational purposes of the District, in accordance with the ballot proposition under which the issuance of the Bonds has been authorized at an election held in the District on November 3, 2020, and related costs of issuance, all as more particularly described in the Preliminary Official Statement dated March __, 2021 describing the Bonds.

ISSUE; BOOK-ENTRY FORM: The Bonds will be issued in the aggregate principal amount of \$ _____ * in the form of fully registered Bonds without coupons. The Bonds will be dated as of their original delivery, and will be issued in minimum denominations of \$5,000. The Bonds will be issued in a book entry only system with no physical distribution of the Bonds made to the public. The Depository Trust Company, New York, New York ("DTC"), will act as depository for the Bonds which will be immobilized in its custody. The Bonds will be registered in the name of Cede & Co., as nominee for DTC, on behalf of the participants in the DTC system and the subsequent beneficial owners of the Bonds.

* Preliminary, subject to change.

MATURITIES: The Bonds will mature, or be subject to mandatory sinking fund redemption, on August 1 in each of the years, and in the amounts, as set forth in the following table. The principal amount of a designated maturity is subject to increase or reduction as described below under the heading “Adjustment of Principal Amounts”. *Each bidder must specify in its bid whether, for any particular year, the Bonds will mature or, alternately, be subject to mandatory sinking fund redemption in such year.*

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount*</u>
---	--	---	--

**Subject to adjustment as provided herein.*

PAYMENT PROVISIONS: Interest on the Bonds will be calculated on a 30/360 day basis, at a rate or rates to be fixed upon the sale thereof, and shall be payable on [August 1, 2021], and on February 1 and August 1 in each year thereafter (the “Interest Payment Dates”), to the registered owners by check or draft of US Bank National Association (the “Paying Agent”), or, in the case of the owner of Bonds in an aggregate principal amount of at least \$1,000,000, at the written request of such owner by wire transfer. Principal of and premium (if any) on any Bond will be paid upon presentation and surrender thereof at the office of the Paying Agent in San Francisco, California. The principal of and interest and premium (if any) on the Bonds are payable in lawful money of the United States of America.

OPTIONAL REDEMPTION: The Bonds are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 20__, and on any date thereafter, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed together with accrued interest thereon to the date fixed for redemption, without premium.

SINKING FUND REDEMPTION: *Any bidder may, at its option, specify that one or more maturities of the Bonds will consist of term Bonds which are subject to mandatory sinking fund redemption in consecutive years immediately preceding the maturity thereof, as designated in the bid of such bidder.* If the bid of the successful bidder specifies that any maturity of Bonds will be term Bonds, such term Bonds will be subject to mandatory sinking fund redemption on August 1 in each year so designated in the bid, in the respective amounts for such years as set forth above under the heading “MATURITIES”, at a

redemption price equal to the principal amount thereof to be redeemed together with accrued interest to the redemption date, without premium.

SECURITY: The Bonds are general obligations of the District, and the District will direct the appropriate officials of the County to levy *ad valorem* taxes on all taxable property within the District for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

TAX-EXEMPT STATUS: In the opinion of Jones Hall, A Professional Law Corporation, bond counsel to the District, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal individual and corporate alternative minimum taxes, although it is included in certain income and earnings in computing the alternative minimum tax imposed on certain corporations. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. Bidders are referred to the Preliminary Official Statement for a description of the proposed opinion of Bond Counsel. If prior to the delivery of the Bonds either (a) the interest on other obligations of the same type and character shall be declared to be taxable (either at the time of such declaration or at any future date) under any federal income tax laws, either by the terms of such laws or by ruling of a federal income tax authority or official which is followed by the Internal Revenue Service, or by decision of any federal court, or (b) any federal income tax law is adopted which will have a substantial adverse effect upon owners of the Bonds as such, the successful bidder for the Bonds may, at its option, prior to the tender of the Bonds, be relieved of its obligation under the contract to purchase the Bonds, and in such case the deposit accompanying its proposal will be returned.

LEGAL OPINION: The legal opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, approving the validity of the Bonds, will be furnished to the purchaser of the Bonds without cost. A copy of the legal opinion will be appended to each Bond.

FURTHER INFORMATION: A copy of the preliminary Official Statement describing the Bonds, and any other information concerning the proposed financing, will be furnished upon request to the municipal advisor to the District (the "Municipal Advisor"), as follows: Dale Scott & Company Inc., 650 California Street, Suite 2050, San Francisco, California 94108 (telephone (415) 956-1030); Attention: Ms. Nicole Roberts.

TERMS OF SALE

RIGHT TO CANCEL, POSTPONE OR RESCHEDULE SALE: The District reserves the right to cancel, postpone or reschedule the sale of the Bonds upon notice published through the TM3 system, not less than 24 hours before the time for receipt of bids. If the sale is postponed, bids will be received at the above place at such date and hour as set forth in the notice. Failure of any bidder to receive such notice or any other form of notice of canceled, postponed or rescheduled sale will not affect the legality or validity of any sale.

SUBMISSION OF BIDS: Bids will be received electronically as described below, provided that such electronic bid must be received no later than the date and time set for receipt of bids.

ELECTRONIC BIDS: The District will accept bids in electronic form through the Parity electronic bidding system. Each bidder submitting an electronic bid agrees by doing so that it is solely responsible for all arrangements with Parity and that Parity is not acting as an agent of the District. Instructions and forms for submitting electronic bids must be obtained from Parity, and the District assumes no responsibility for ensuring or verifying bidder compliance with Parity's procedures. The District will be entitled to assume that any bid received via Parity has been made by a duly authorized agent of the bidder.

Neither the District, the County, the Municipal Advisor nor Bond Counsel has any responsibility for proper functioning of the Parity system, for any error contained in any bid submitted electronically, or for failure of any bid to be transmitted, received or opened at the official time for receipt of bids. The official time for receipt of bids will be determined by the District at the place of bid opening, and the District will not be required to accept the time kept by Parity as the official time. The District assumes no responsibility for informing any bidder prior to the deadline for receiving bids that its bid is incomplete, or not received.

FORM OF BID; MINIMUM AND MAXIMUM PREMIUM AND PURCHASE PRICE: Each proposal must be for not less than all of the Bonds hereby offered for sale. The purchase price to be paid for the Bonds by the winning bidder shall not be less than 100% of the par amount thereof plus an original issue premium (net of underwriter's compensation) which is sufficient to provide for payment of interest on the Bonds through _____. In addition, no bid will be accepted which provides for an amount of original issue premium, net of original purchaser's compensation, which results in original issue premium greater than interest due on the Bonds in the first three years. *No bid will be entertained which provides for a purchase price which is less than or in excess of the amount identified in this paragraph.*

The winning bidder will be required to pay the purchase price of the Bonds in funds which are immediately available to the Paying Agent, or as otherwise directed by the District, on the Closing Date.

DESIGNATION OF INTEREST RATES: Each bidder must specify the rate or rates of interest which the Bonds will bear. The maximum rate bid on any Bonds may not exceed 8% per annum. A bidder will be permitted to bid different rates of interest for each maturity of Bonds, but:

- each interest rate specified must be in a multiple of 1/20% or 1/8%;
- no Bond may bear more than one rate of interest;
- interest on each Bond will be computed from the date of original delivery to its stated maturity at the interest rate specified in the proposal, payable on the Interest Payment Dates as set forth above; and
- all Bonds maturing at any one time will bear the same rate of interest.

DETERMINATION OF BEST BID: The Bonds will be awarded to the responsible bidder or bidders offering to purchase the Bonds at the lowest true interest cost to the District. The true interest cost of each bid will be determined on the basis of the present value of the aggregate future semiannual payments resulting from the interest rates specified by the bidder. The present value will be calculated to the dated date of the Bonds (assumed to be April 27, 2021) and will be discounted to the proposed bid amount (par value plus any premium). For the purpose of making such determination, it shall be assumed that any Bond designated as term bonds by the bidder shall be deemed to be payable on the dates and in the amounts as shown under the section entitled "MATURITIES" herein. Each bidder is requested, but not required, to state in his bid the percentage true interest cost to the District, which shall be considered as informative only and shall not be binding on either the bidder or the District. The determination of the best bid by the District's Municipal Advisor shall be binding and conclusive on all bidders.

ADJUSTMENT OF PRINCIPAL MATURITIES: The District reserves the right to increase or decrease the principal amount of any maturity of the Bonds (or, in the case of the term Bonds, the principal amount thereof which is subject to mandatory sinking fund redemption on August 1 in any year) in increments of \$5,000 principal amount. The principal amount of the Bonds will not in any event exceed the authorized amount of \$_____. The District will give notice of any such adjustment to the successful bidder as soon as practicable following the notification of award. No such adjustment will alter the basis upon which the best bid is determined. In the event of any such adjustment, no rebidding or recalculation of the bids submitted will be required or permitted, and no successful bid may be withdrawn.

RIGHT OF REJECTION: The District reserves the right, in its discretion, to reject any and all bids, and to the extent not prohibited by law to waive any irregularity or informality in any bid.

ESTABLISHMENT OF ISSUE PRICE FOR THE BONDS: In the event the District receives at least three bona fide bids for the sale of the Bonds, then the issue price for the Bonds will be established based on the reasonably expected Initial Offering Prices of the Bonds as of the Sale Date (the "Expected Offering Prices"). The Expected Offering Prices shall consist of the prices for each maturity of the Bonds used by the winning bidder in formulating its bid to purchase the Bonds. The winning bidder will be required to deliver on the Closing Date a certificate to such effect, and provide to the District, in writing, the Expected Offering Prices as of the date on which the Bonds are sold. Such certificate and supporting documentation shall be in substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the District and Bond Counsel.

In the event the District receives fewer than three bona fide bids for the Bonds, the District intends to treat the Initial Offering Price of each maturity of the Bonds set forth in the bid submitted by the winning bidder (the "Initial Offering Price") as the issue price of that maturity (the "Hold-the-Offering-Price Rule"). Consequently, each bidder should assume for purposes of making its bid that for each maturity of the Bonds, the District will treat the Initial Offering Prices as of the date that the Bonds are awarded by the District to the successful bidder (the "Sale Date") as the issue price of the Bonds. The District will advise the apparent winning bidder within one hour of receipt of bids if the Hold-the-Offering-Price Rule will apply. In the event that the competitive sale requirements are not satisfied and issue price is established pursuant to the Hold-the-Offering-Price Rule, the

issue price certificate shall be modified as necessary in the reasonable judgment of Bond Counsel and the District.

By submitting a bid, the successful bidder shall, on behalf of the underwriters participating in the purchase of the Bonds, (i) confirm that the underwriters have offered or will offer each maturity of the Bonds to the public on or before the Sale Date at the Initial Offering Price set forth in the bid submitted by the winning bidder, and (ii) agree that the underwriters will neither offer nor sell any maturity of the Bonds to any person at a price that is higher than the Initial Offering Price for such maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the 5th business day after the Sale Date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the Initial Offering Price for such maturity.

The winning bidder shall promptly advise the District when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the Initial Offering Price if that occurs prior to the close of the 5th business day after the Sale Date.

The District acknowledges that, in making the representation set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the Hold-the-Offering-Price Rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the Hold-the-Offering-Price Rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the Hold-the-Offering-Price Rule, as set forth in the retail distribution agreement and the related pricing wires. The District further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the Hold-the-Offering-Price Rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the Hold-the-Offering-Price Rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that:

- (1) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to:

- (A) report the prices at which it sells to the public the Bonds of each maturity allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, and
 - (B) comply with the Hold-the-Offering-Price Rule, if and for so long as directed by the successful bidder and in the related pricing wires; and
- (2) any agreement among underwriters relating to the sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to
- (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and
 - (B) comply with the Hold-the-Offering-Price Rule, if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Official Notice of Sale.

As used herein, the term "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter (as defined herein) or a related party to an Underwriter. The term "related party" generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly. As used herein, the term "Underwriter" means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

PROMPT AWARD: A representative of the District has been authorized to accept the best responsible bid for the purchase of the Bonds and to accept such bid, for and in the name of the District, by notice to the successful bidder. If two or more bids setting forth identical interest rates and premium/discount, if any, are received, such officer may exercise discretion and judgment in making the award and may award the Bonds on a pro rata basis in such denominations as he or she determines. Such authorized representative of the District may also reject any and all bids and waive any irregularity or informality in any bid. Sale of the Bonds will be awarded or all bids will be rejected not later than 24 hours after the expiration of the time prescribed for the receipt of proposals

unless such time of award is waived by the successful bidder; provided, that the award may be made after the expiration of the specified time if the bidder does not notify the District in writing of the withdrawal of its proposal.

PLACE OF DELIVERY; CANCELLATION FOR LATE DELIVERY: It is expected that the Bonds will be delivered through the facilities of DTC for the account of the successful bidder on or about April 27, 2021. The successful bidder has the right, at the successful bidder's option, to cancel the contract of purchase if the Bonds are not tendered for delivery within 60 days from the date of the sale thereof, and in such event the successful bidder shall be entitled to the return of the deposit accompanying its bid.

GOOD FAITH DEPOSIT: Within 24 hours following the award, the winning bidder shall wire a good faith deposit (the "Deposit") in the amount of \$_____ to the Paying Agent, or as otherwise directed by the District. No interest on the Deposit will accrue to the purchaser. The amount of the Deposit will be applied as a credit towards the payment of the purchase price by the winning bidder. If after the award of the Bonds, the winning bidder fails to complete its purchase on the terms stated in its proposal, the full amount of the good faith deposit will be retained by the District.

PAYMENT OF PURCHASE PRICE: On the Closing Date, the successful bidder will be required to pay the purchase price of the Bonds, being the par amount of the Bonds, plus net original issue premium (if any), less the good faith deposit made under the preceding paragraph, in funds which are immediately available to the County Treasurer or as otherwise directed by the District. Such payment shall be made on the date of original delivery of the Bonds by the District through the facilities of DTC.

NO LITIGATION: There is no litigation pending concerning the validity of the Bonds, the corporate existence of the District, or the entitlement of the District officers to their respective offices, and the purchaser will be furnished a no-litigation certificate certifying to the foregoing as of and at the time of delivery of the Bonds.

CUSIP NUMBERS: It is anticipated that CUSIP numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error with respect thereto will constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the Bonds in accordance with the terms hereof. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the District, except that the CUSIP Service Bureau charge for the assignment of said numbers will be the responsibility of and shall be paid for by the purchaser.

CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION FEES: All fees payable to the California Debt and Investment Advisory Commission in connection with the issuance of the Bonds are the sole responsibility of the purchaser of the Bonds.

OFFICIAL STATEMENT: The District has approved a Preliminary Official Statement relating to the Bonds. Copies of such Preliminary Official Statement will be distributed to any bidder, upon request, prior to the sale in a form "deemed final" by the District for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). Within 7 business days from the sale date, the District will deliver electronic copies of the final Official Statement, executed by an authorized representative of the District and dated the date of delivery thereof to the purchaser, in sufficient number to allow the purchaser to comply with paragraph (b)(4) of the Rule and to satisfy the Municipal Securities

Rulemaking Board (the "MSRB") Rule G-32 or any other rules adopted by the MSRB, which shall include information permitted to be omitted by paragraph (b)(1) of the Rule and such other amendments or supplements as are approved by the District (the "Final Official Statement"). The purchaser agrees that it will not confirm the sale of any Bonds unless the confirmation of sale is accompanied or preceded by the delivery of a copy of the Final Official Statement.

CERTIFICATE REGARDING OFFICIAL STATEMENT: A responsible officer of the District will certify to the original purchaser of the Certificates, as a condition of closing, that based on such officer's participation in the preparation of the Official Statement, nothing has come to his or her attention to lead him or her to believe that the Official Statement (except for certain financial statements, statistical data and other information) contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

CONTINUING DISCLOSURE. In order to assist bidders in complying with S.E.C. Rule 15c2-12(b)(5), the District has committed to undertake, under the Bond Resolution and a Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Final Official Statement. Such Continuing Disclosure Certificate will be a document required to be delivered at closing by the District, and the failure by the District to deliver such document in form and substance acceptable to Bond Counsel and the successful bidder will relieve the successful bidder of its obligation to purchase the Bonds.

DISCLOSURE COUNSEL OPINION: The firm of Jones Hall, A Professional Law Corporation, as Disclosure Counsel to the District, will provide a letter to the original purchaser of the Bonds regarding the Official Statement. Such letter will be to the effect that during the course of Disclosure Counsel's work with regard to the Bonds, no facts have come to their attention that cause them to believe that the Official Statement (except for any financial and statistical data and forecasts, numbers, estimates, assumptions and expressions of opinion, and information concerning the Depository Trust Company and the book-entry system) contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

GIVEN by order of the Board of Education of the Pacific Grove Unified School District pursuant to the Bond Resolution defined herein.

EXHIBIT A**Issue Price Certificate**

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
 (Monterey County, California)
GENERAL OBLIGATION BONDS
ELECTION OF 2020, SERIES A

The undersigned, on behalf of [NAME OF UNDERWRITER] (“Underwriter”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected Initial Offering Prices of the Bonds to the Public by Underwriter are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used the Underwriter in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by Underwriter to purchase the Bonds.

(b) Underwriter was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by Underwriter constituted a firm offer to purchase the Bonds.

2. ***Defined Terms.***

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a

member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the Certificate of Arbitrage and with respect to compliance with the federal income tax rules affecting the Bonds, and by Jones Hall, A Professional Law Corporation in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the District from time to time relating to the Bonds.

[UNDERWRITER]

By:
Name:

Dated: [Issue Date]

- | | |
|---|---|
| <input type="checkbox"/> Student Learning and Achievement | <input type="checkbox"/> Consent |
| <input type="checkbox"/> Health and Safety of Students and Schools | <input checked="" type="checkbox"/> Action/Discussion |
| <input type="checkbox"/> Credibility and Communication | <input type="checkbox"/> Information/Discussion |
| <input checked="" type="checkbox"/> Fiscal Solvency, Accountability and Integrity | <input type="checkbox"/> Public Hearing |

SUBJECT: Resolution No. 1066 Establishing a Student Activity Special Revenue Fund (Fund 08) To Account for Associated Student Body Activities

DATE: March 18, 2021

PERSON(S) RESPONSIBLE: Song Chin-Bendib, Assistant Superintendent for Business Services

RECOMMENDATION:

The District Administration recommends that the Board review and approve Resolution No. 1066 establishing a Student Activity Special Revenue Fund, Fund 08, to account for Associated Student Body (ASB) activities.

BACKGROUND:

Recent developments and decisions from Governmental Accounting Standards Board (GASB) 84 have an impact on the accounting and financial reporting surrounding associated student body (ASB) activities.

The California Department of Education (CDE) recommends that Local Area Agencies (LEAs) review policies and procedures for each ASB activity or club to determine whether each activity or club meets the definition of a fiduciary activity in accordance with GASB 84. ASB activities that meet the definition of fiduciary activities in accordance with GASB 84 can be reported in Fund 95, Student Body Fund. ASB activities that do not meet the definition of fiduciary activities in accordance with GASB 84 are considered governmental activities and should be reported in a government fund, either general fund or special revenue fund.

After further considering feedback, CDE finalized establishing Fund 08, Student Activity Special Revenue Fund, for reporting ASB activities that are determined to be governmental rather than fiduciary.

INFORMATION:

In consultation with the chief District external auditor, it was determined that Pacific Grove USD ASB is a government activity because the District has control of the ASB operations, it is not going to be fiduciary.

Fund 08, once approved, will be available for 2020-21 fiscal year-end reporting. Transactions can be processed all at once at the end of the year.

CDE determined that ASB activities should be considered *restricted* because Education Code (EC) Section 48930 specifies that the purpose of ASBs is to conduct activities on behalf of the students for whom those funds are collected. It can be inferred that the funds are held for current students at the same school at which the funds were raised. In addition, EC 48933 indicates that the ASB funds should be expended subject to procedures established by the ASBs.

As a result, a new resource code of 8210 has been established by CDE.

Some questions regarding ASB activities were addressed by CDE:

1. Should LEAs keep ASB cash in stand-alone bank accounts or maintain it with county treasury?

This is a local policy decision. GASB 84 does not address this topic.

PG USD: The District will continue allowing the ASB bank accounts to be maintained outside of the county treasury. ASB activities have been maintained by the ASB staff and audited by the District independent auditors.

2. Is a board resolution required to establish the new Fund 08?

This is a local decision and should be determined in accordance with the LEA's local government policies.

PG USD: The District's practice has been to establish new funds via a Board Resolution.

3. How often should ASB financial activities maintained outside of the LEA's financial system to be recorded in LEA's system?

LEAs are not required to record ASB activities in LEAs' local financial systems on a daily basis. LEAs may record monthly, quarterly, or annual journal entries in the appropriate fund as deemed necessary for preparing interim and year-end financial statements.

PG USD: The District will record the 2020-21 ASB transactions at the end of the fiscal year during closing. If it is decided later that transactions can be processed more frequently, practices can be adjusted.

FISCAL IMPACT:

No direct fiscal impact.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT

RESOLUTION NO. 1066

AUTHORIZING TO CREATE FUND 08 Student Activity Special Revenue Fund

WHEREAS, the Governing Board of Pacific Grove Unified School District declares that there exists a need for a Student Activity Special Revenue Fund for the purpose of receiving and expending funds for student activities, including all board approved student extra-curricular activities. Financial reporting for Student Activity is required by Governmental Accounting Standards Board Statement 84 (GASB 84); and,

WHEREAS, this Student Activity Special Revenue Fund is a separate fund in the District and can maintain its cash accounts outside of the county treasury

WHEREAS, the Pacific Grove Unified School District governing board has adopted Resolution No. ???? authorizing the district to establish this Student Activity Special Revenue Fund (Fund 08) for the purpose of the ASB to conduct activities on behalf of the students for whom the funds are collected

NOW, THEREFORE, BE IT RESOLVED, that this Board hereby establishes a Student Activity Special Revenue Fund 08 pursuant to Education Code Section 48930-48938; and

BE IT FURTHER RESOLVED that the Administration is hereby authorized and directed to submit this resolution, requesting the establishment of this new fund, to the County Superintendent of Schools.

PASSED AND ADOPTED by the Board of Education of the Pacific Grove Unified School District this 18th day of March, 2021, by the following called vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

John Paff, President
Board of Education

Ralph Porras, Superintendent
Secretary Board of Education

- | | |
|---|---|
| <input type="checkbox"/> Student Learning and Achievement | <input type="checkbox"/> Consent |
| <input checked="" type="checkbox"/> Health and Safety of Students and Schools | <input checked="" type="checkbox"/> Action/Discussion |
| <input type="checkbox"/> Credibility and Communication | <input type="checkbox"/> Information/Discussion |
| <input type="checkbox"/> Fiscal Solvency, Accountability and Integrity | <input type="checkbox"/> Public Hearing |

SUBJECT: Review of District HVAC | Response to COVID

DATE: March 18, 2021

PERSON(S) RESPONSIBLE: Matt Kelly, Director Facilities and Transportation

RECOMMENDATION:

The District Business Office recommends that the Board review and provide feedback on the District HVAC systems.

BACKGROUND:

MERV (Minimum Efficiency Reporting Values) Rating is a HVAC filter's ability to capture particles between .3 and 10 microns. The higher the MERV rating the better the filter is at trapping specific types of particles. The maximum MERV filter rating the District's HVAC units can have is MERV-8 without the possibility of damaging the equipment. ASHRAE's (American Society of Heating, Refrigerating, and Air-Conditioning) recommendation is MERV-13 if it can safely be installed without damaging the equipment. If equipment damage is plausible, they recommend putting in the maximum MERV rating for the unit.

The District's COVID Safety Plan addresses safety protocols as students and staff return to site learning. The plan is a combination of social distancing, handwashing, proper masks, cleaning, symptom checks, and HVAC. This review is only addressing one of the six safety protocols.

INFORMATION:

During the past several months, the District's safety plan pertaining to HVAC has focused on outside air circulation. Outdoor air circulation brings outside fresh air to replace and dilute the inside air continuously. Fresh air comes into the room by opening windows and doors and running the fan on the HVAC unit to force air into the classroom. Additionally, the HVAC unit extinguishes inside air out and brings new fresh air in through the fresh air intake. Some inside air does get recirculated back into the classroom after it has run through the filter. For rooms that do not have units with fresh air intakes, a window fan will be placed to draw air out and a HEPA portable unit provided.

Bi-polar Ionization (BPI) technology uses electric voltage to convert oxygen molecules to charged atoms that inactivate airborne contaminants. These negatively and positively charged atoms, called ions, are effective against viruses, bacteria, and mold.

Depending on the contaminant, BPI replaces these charged particles with non-volatile gases such as oxygen, nitrogen, and carbon dioxide. Recent studies by UC Davis and Lawrence Berkeley National Laboratory tie poor student performance and attendance to improper ventilation, rising CO2 levels.

According to the UC Davis Western Cooling Efficiency Center, there is increasing evidence that CO2 is an indoor pollutant that can affect decision-making performance.

FISCAL IMPACT:

Amount: No impact at this time



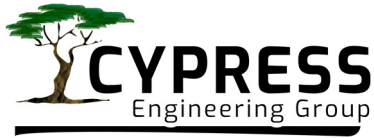
The following summarizes the recommendations for adjustments to HVAC systems at Pacific Grove District Schools to prepare for re-opening the campus. We have reviewed industry guidelines such as the Covid-19 White Paper written by Taylor Engineering which discusses some of the transmission methods of the SARS-CoV-2 virus as studied by other organizations. The paper also considers measures to mitigate the impacts of airborne contaminants by the HVAC systems.

We have considered the recommendations put forth in the white paper and other industry guidelines such as ASHRAE guidelines on re-opening schools and provide the below recommendations for PGUSD Schools that we consider the most valuable. It should be noted that maintaining clean sanitized surfaces, maintaining social distancing, and conducting symptom checks are still considered best practices.

We recommend the following modifications to the HVAC systems:

1. Replace all filters with higher efficiency filters such as MERV 13 or higher if the fan systems can handle the additional pressure drop.
2. Disable zonal systems that only recirculate air in the space (e.g. ceiling fans or split system fan coils) that are not essential for thermal comfort.
3. Adjust schedules to run ventilation systems starting an hour before expected occupancy, and continue running for an additional hour after end of normal occupied hour to flush the buildings.
4. Ensure ventilation systems run continuously throughout the day (disable occupancy controlled ventilation).
5. Install CO₂ sensors or thermostats with integrated CO₂ sensors with remote monitoring capability (eg Pelican Wireless Systems) as an indication of zone ventilation levels.
6. Disable demand controlled (CO₂) ventilation, or reduce the setpoint to trigger higher ventilation to 750 ppm or lower.
7. Increase outside air cfm set-points by an additional 30% than required by energy codes.
8. Procure services of commissioning agent and air balancer to ensure ventilation rates are correctly adjusted. The added benefit of commissioning is that operating sequences can be reviewed to limit the effect on overall energy use while making the above changes.
9. Ensure all the HVAC equipment is operational and certified for ventilation rates.

We are not recommending other measures that are being considered since they involve high first costs or significantly increased operational costs without proven mitigation of the virus risk such as installing UV cleaners in the return duct, operating HVAC system 24/7, and adding humidification systems to HVAC systems to maintain 40% RH.



Regarding adding Bipolar Ionization, the following statements are by the manufacturer. There is not enough history to be prove whether this technology mitigates virus risk.

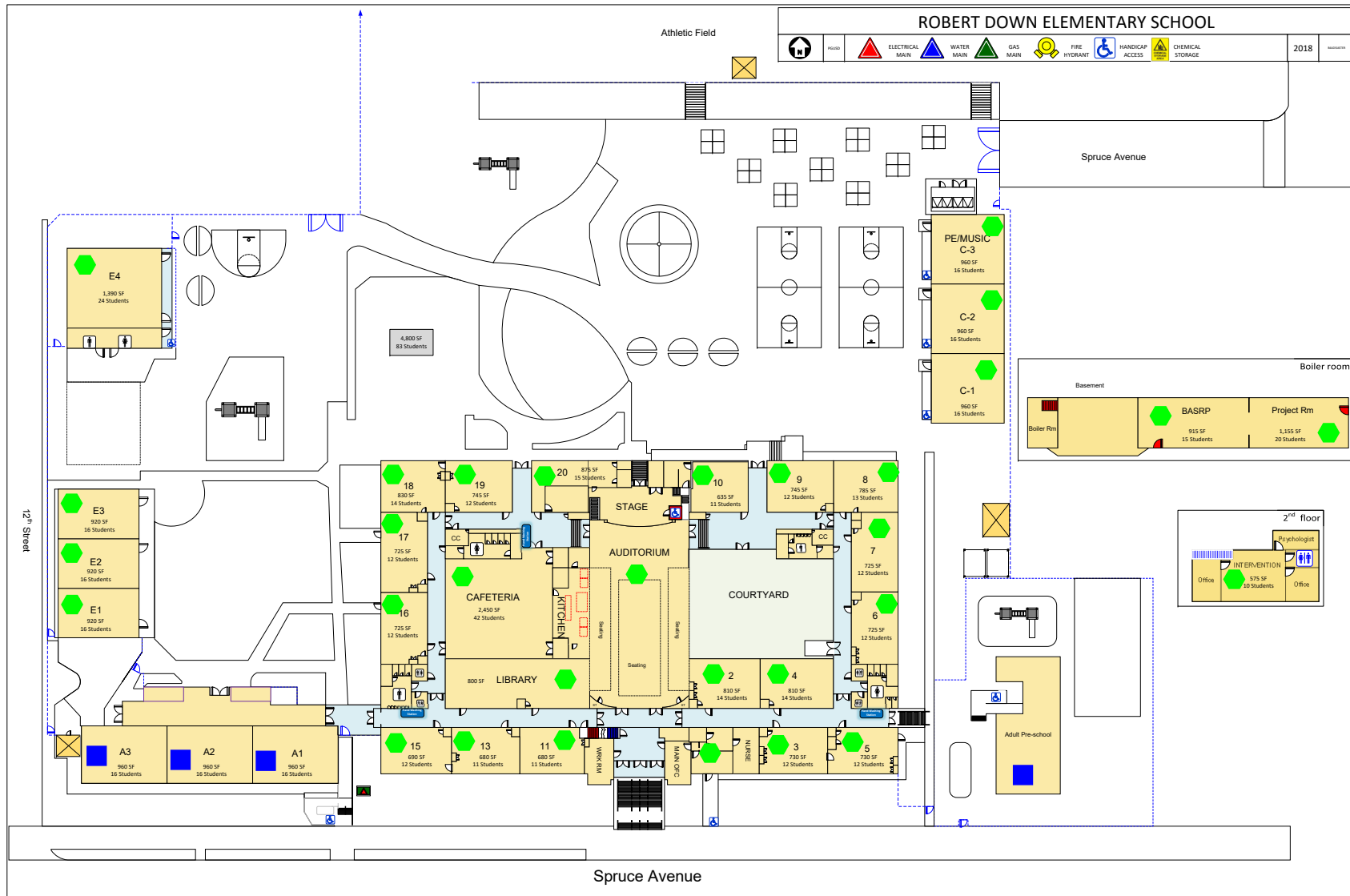
What is Bipolar Ionization?

- Has already been used since early 2000's to address VOCs and particulates in the air
- Bi-polar Ionization – Positive and Negative charged Hydrogen and Oxygen ions are released (H⁺ and OH⁻) into the space as air passes over ion generators
 - Faster the air is moving, the more ions are being produced
- For disinfection - when ions encounter a pathogen's outer casing, they 'rob' the virus's H⁺ atom and produce naturally occurring by products



Additional Benefits

- Neutralizes unwanted odors caused by VOCs
- Increased effectiveness of filtration systems through agglomeration
 - Electrically charged particles attracted to each other and clump into larger particles
- Significantly reduces smoke particulate

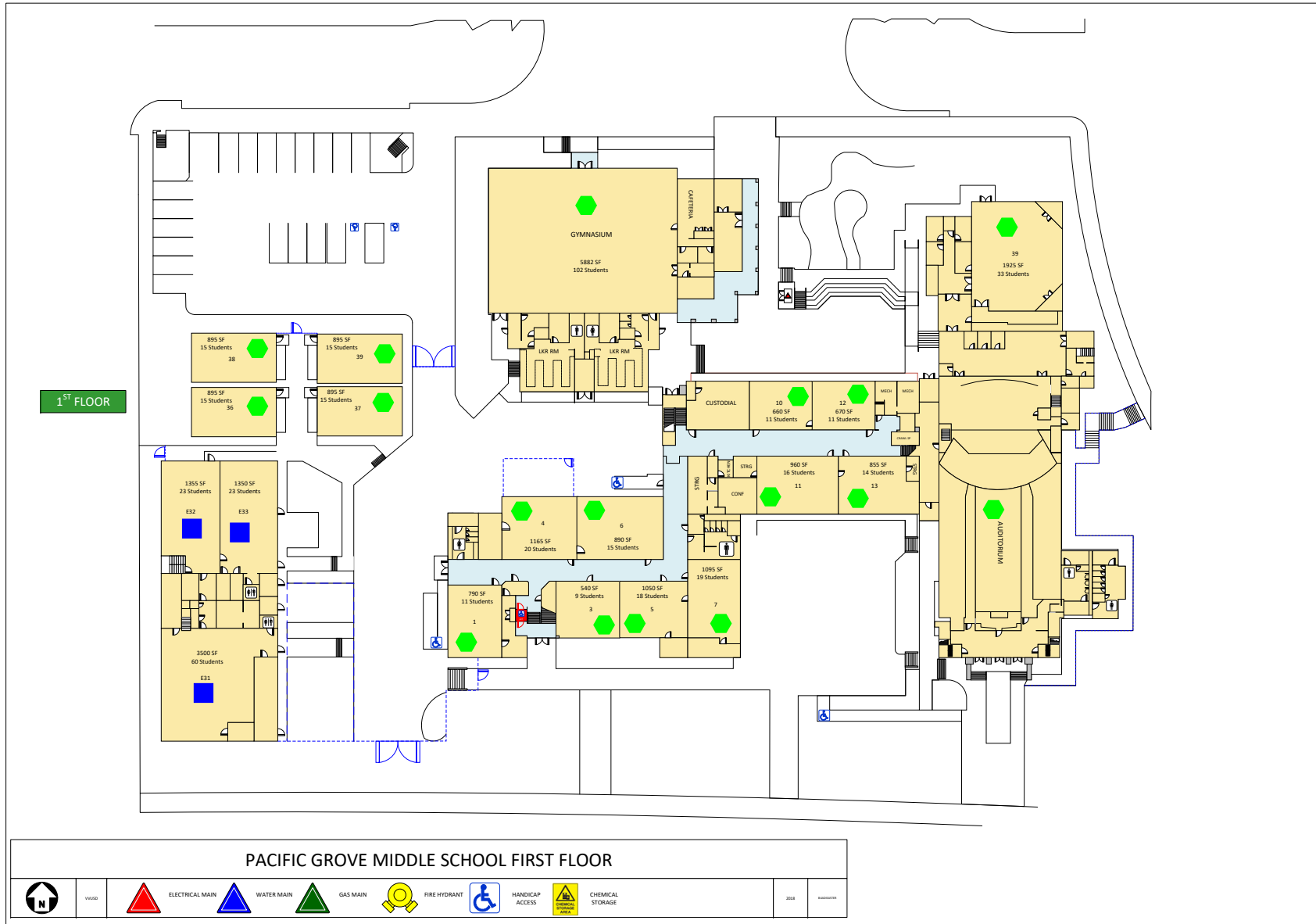


- Unit brings in outside air
- Installed Window Fan to bring in outside air

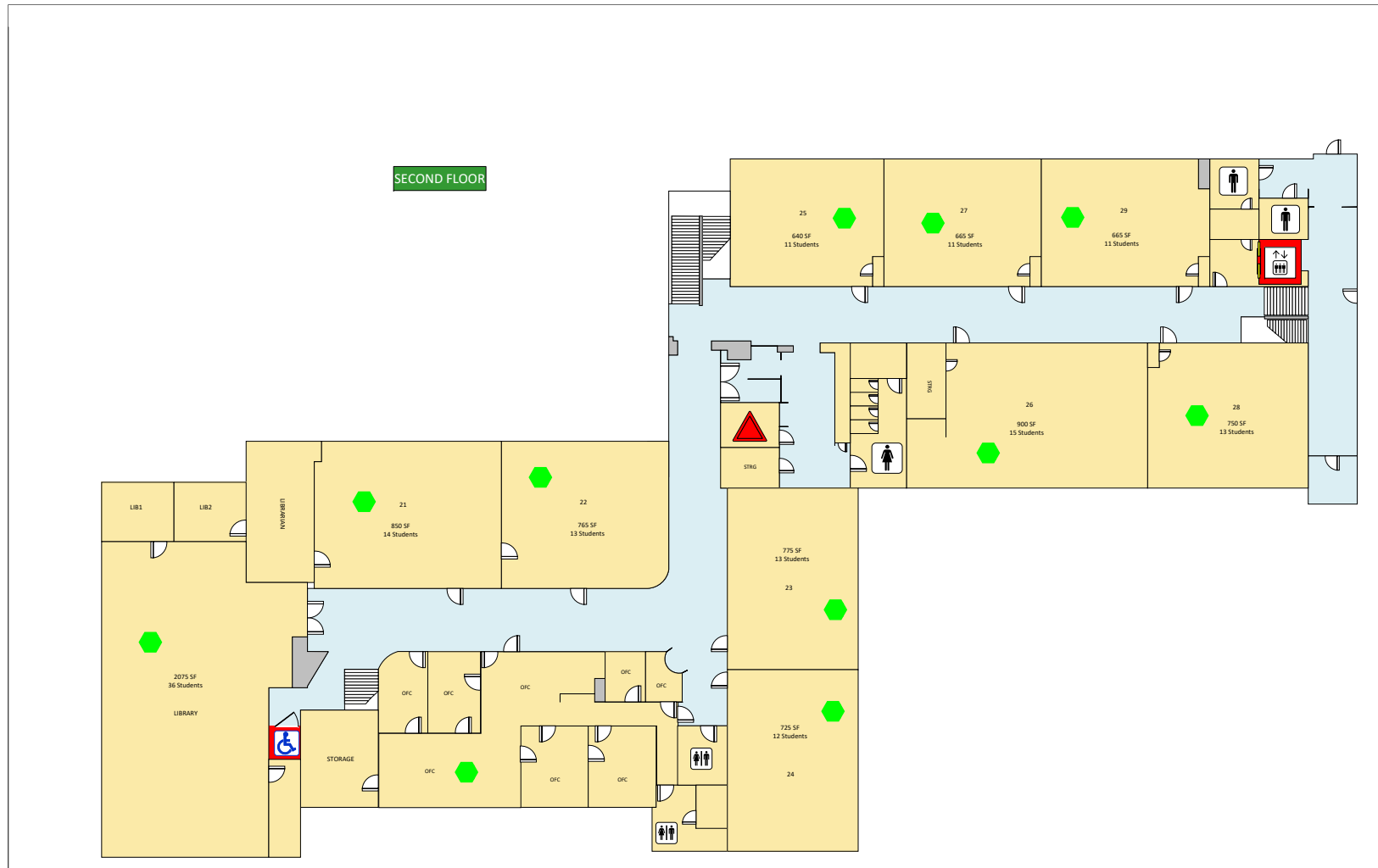


- Unit brings in outside air
- Installed Window Fan to bring in outside air





Unit brings in outside air
 Installed Window Fan to bring in outside air

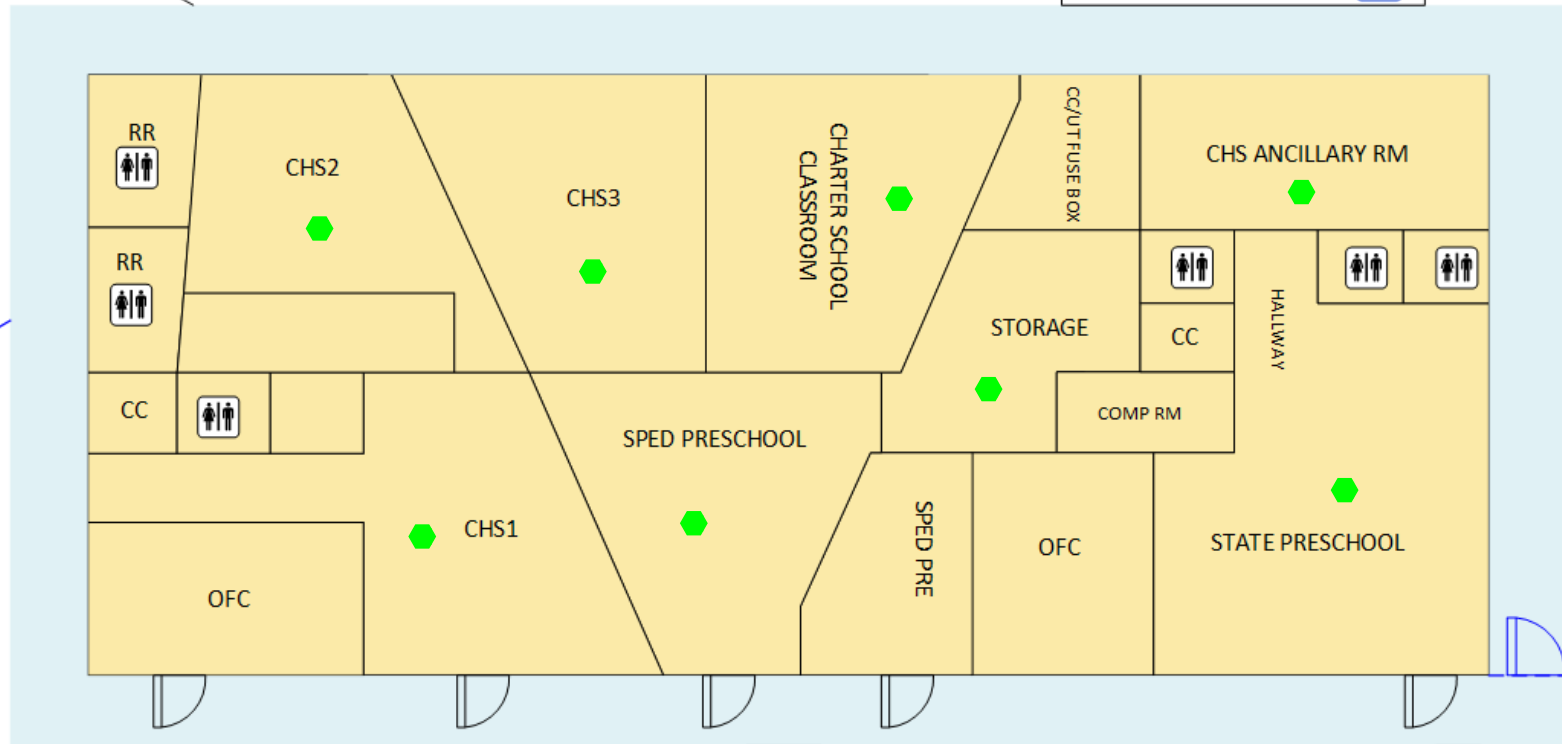


SECOND FLOOR

PACIFIC GROVE MIDDLE SCHOOL SECOND FLOOR

								2018	11/15/2018
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Unit brings in outside air
 Installed Window Fan to bring in outside air



■ Unit brings in outside air
■ Installed Window Fan to bring in outside air

COMMUNITY HIGH SCHOOL

	PGUSD		ELECTRICAL MAIN		WATER MAIN		GAS MAIN		FIRE HYDRANT		HANDICAP ACCESS		CHEMICAL STORAGE	2018	BRANDGATE
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COVID-19

Ventilation in Schools and Child Care Programs

How to use CDC building recommendations in your setting

Updated Feb. 26, 2021

[Print](#)



Opening windows, using portable air cleaners, and improving building-wide filtration are ways you can increase ventilation in your school or child care program.

How to use CDC building recommendations in your setting

Ventilation is one component of [maintaining healthy environments](#), and is an important COVID-19 prevention strategy for [schools](#) and [child care programs](#). Wearing a [well-fitting, multi-layer mask](#) helps prevent virus particles from entering the air or being breathed in by the person wearing a mask. Good ventilation is another step that can reduce the number of virus particles in the air. Along with [other preventive actions](#), ventilation can reduce the likelihood of spreading disease. Below are ways you can improve ventilation in your school or child care program, whether in a large [building](#) or in a [home](#):





While implementing ventilation strategies, be sure to continue to take regular precautions to keep young children safe, such as using fans with covers and windows with screens.

Continue to follow other preventive actions to help prevent the spread of COVID-19. Keep children separated by 6 feet as much as possible. Help children 2 years and older wear masks whenever possible. Children under age 2 should not wear masks.

Bring in as much outdoor air as possible.

- **If safe to do so, open windows and doors.** Even just cracking open a window or door helps increase outdoor airflow, which helps reduce the potential concentration of virus particles in the air. If it gets too cold or hot, adjust the thermostat. Do not open windows or doors if doing so poses a safety or health risk (such as falling, exposure to extreme temperatures, or triggering asthma symptoms). Encourage the users to open the windows.
- **Use child-safe fans to increase the effectiveness of open windows.** Safely secure fans in a window to blow potentially contaminated air out and pull new air in through other open windows and doors. If the CO2 levels goes up above the 1,100 PPM
- **Consider having activities, classes, or lunches outdoors when circumstances allow.** Principal and administration decision.

Ensure Heating, Ventilation, and Air Conditioning (HVAC) settings are maximizing ventilation.

- ✓ • **Make sure your ventilation systems are serviced and meeting code requirements.** They should provide acceptable indoor air quality, as defined by [ASHRAE Standard 62.1](#) [🔗](#), for the current occupancy level for each space.* Home-based child care programs should meet requirements established by their state and local regulatory authorities.
- ✓ • **Set HVAC systems to bring in as much outdoor air as your system will safely allow.** Reduce or eliminate HVAC air recirculation, when practical and with expert HVAC consultation.* Fresh Air intakes are 100% open, return registers are partially blocked.
- ✓ • **Increase the HVAC system's total airflow supply to occupied spaces** when you can. More air flow encourages air mixing and ensures any recirculated air passes through the filter more frequently. Heating Units fan are set to high speed.
- ✓ • **Disable demand-controlled ventilation (DCV) controls** that reduce air supply based on occupancy or temperature. This way the air supply will remain constant throughout the day. There is none in the classrooms.
- ✓ • **For simple HVAC systems controlled by a thermostat,** setting the fan control switch from "Auto" to "On" will ensure the HVAC system provides continuous air filtration and distribution. All the thermostats are programmed to run contunious
- ✓ • **Consider running the HVAC system at maximum outside airflow for 2 hours before and after the building is occupied** to refresh air before arrival and remove remaining particles at the end of the day. Programmed to run 2 hours before and after



FIVE CONCERNS OVER AIR IONIZATION FOR ENHANCING IAQ – ESPECIALLY IN SCHOOLS

Air ionization can emit dangerous ozone, lacks validation, can impair student performance, has questionable effectiveness and is unreliable

By Nick Agopian

Air-Sealed Buildings Suffer from Deficient IAQ

With buildings becoming increasingly air-sealed, a consequence is a rise in deficient indoor air quality (IAQ), which is a serious—yet often unnoticed—threat to occupant health, productivity and well-being. Deficient IAQ is especially concerning since people are indoors about 90% of the time (the elderly 95%) and the Environmental Protection Agency (EPA) found that indoor air may be two to five times, and occasionally greater than 100 times, more polluted than outdoor air. Hence the EPA ranks indoor air pollution among the top-five environmental risks to public health.¹

Deficient IAQ causes many [negative health and cognitive issues](#). On the health side, it can lead to acute problems such as allergies, headaches, coughs, asthma, skin irritations and breathing difficulties, as well as severe illnesses such as cancer, liver disease, kidney damage and nervous-system failures. It also causes cognitive impairment and sickness/absenteeism, which harms student and worker performance and costs the U.S. economy \$168 billion annually, according to the Building Ecology Research Group.²

Schools are at Particular Risk of Suffering from Deficient IAQ

At particular risk of suffering from deficient IAQ are our nation's schools due to their high occupant densities and aging facilities. Deficient IAQ can be very potent for students as the EPA found that poor-quality indoor air is one of the highest environmental threats to children's health and welfare, especially because their bodies are still developing. The EPA also found that deficient IAQ can significantly impair students' academic performance.³

Causes of Deficient IAQ

A complex array of internally generated contaminants, such as toxins, vapors, gases, chemicals and other Volatile Organic Compounds (VOCs), can build up and diminish IAQ. Contaminants are introduced in many ways, but the primary means is by being off-gassed from such sources as construction materials, furniture, fabrics, carpets, paints, sealants, finishes, cleaning supplies and even the human metabolic process that emits bioeffluents.

How do you remove indoor air contaminants? Several options exist, but one specifically that's growing in popularity—especially in schools—is of substantial concern and needs clarification. Needlepoint air ionization is asserted by some manufacturers to enhance IAQ; however, the reality is that these claims aren't independently validated and, more importantly,



Schools are at particular risk of suffering from deficient IAQ
 Image courtesy of Environmental Health Perspectives (EHP)

occupant health and cognitive function can be harmed due to increased CO₂ in concert with bioeffluents and other gases.

Five Concerns Over Air Ionization for Enhancing IAQ

Air ionization is a process that's claimed to decrease indoor air contaminants by charging particles in the air and removing them through an electrostatic force. However, many concerns exist about the safety, effectiveness and reliability of this technology, and it's important to be aware of these issues—especially in schools where this technology is gaining ground. With that, below are the five reasons why air ionization is concerning when it comes to enhancing IAQ.

1. Ionization Can Emit Harmful Ozone

A study by the University of California, Irvine found that certain ionic air purifiers are capable of maintaining steady-state levels of ozone that are well in excess of the health-protective standards.⁴ In addition, Consumer Reports tested several ionization air cleaners and also found that many [emitted significant levels of ozone](#).⁵ Why is this important? Ozone inhalation can be harmful to both adults and children, and therefore its generation should be avoided indoors.

Ozone is known to have many adverse health effects. According to the EPA, breathing in ozone can result in chest pain, coughing, throat irritation, congestion, lung issues and even premature death at high levels, as well

¹ All EPA facts from this paragraph are sourced from: "Why Indoor Air Quality is Important to Schools," U.S. Environmental Protection Agency (EPA), <https://www.epa.gov/iaq-schools/why-indoor-air-quality-important-schools>.

² Hal Levin, "Commercial Building Indoor Air Quality: Introduction to the Problem," Building Ecology, November 1999, <http://www.buildingecology.com/articles/commercial-building-indoor-air-quality-introduction-to-the-problem/>.

³ "How Does Indoor Air Quality Impact Student Health and Academic Performance?," U.S. Environmental Protection Agency (EPA), <https://www.epa.gov/iaq-schools/how-does-indoor-air-quality-impact-student-health-and-academic-performance>.

⁴ Nicole Britigan, Ahmad Alshawa, and Sergey A. Nizkorodov, Department of Chemistry, University of California, Irvine, CA, "Quantification of Ozone Levels in Indoor Environments Generated by Ionization and Ozonolysis Air Purifiers," May 2006 http://aerosol.chem.uci.edu/publications/Irvine/2006_Britigan_JAWMA_O3.pdf.

⁵ "New Concerns about Ionizing Air Cleaners," Consumer Reports, May 2005, <http://www.arb.ca.gov/research/indoor/cr-05-2005.pdf>.

as worsen bronchitis, emphysema and asthma.⁶ Also, according to a study by Columbia and Rutgers Universities, high doses of ozone can cause a transformation in animal cells similar to cancer.⁷

Furthermore, ozone's harmful effects are magnified when it dissipates indoors and creates more invisible contaminants. For example, when ozone reacts with the terpenes in lemon- and pine-scented cleaning products and air fresheners, it creates formaldehyde—an extremely potent carcinogen—as well as other irritants and ultra-fine particles that are hard to filter and can penetrate deep into a person's lungs.⁸

2. Ionization's Validation Falls Short

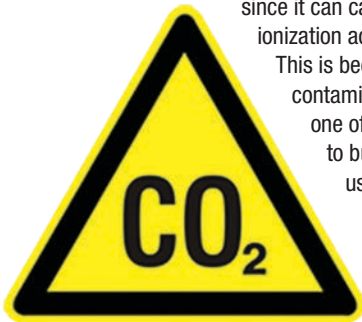
Ionization manufacturers say they meet the IAQ requirements as outlined in ASHRAE's Indoor Air Quality Procedure (IAQP) from Section 6.2 of Standard 62, but this threshold falls short. IAQP is inadequate for ensuring acceptable IAQ because it only considers a minimal list of contaminants (thus leaving many in the air), the odor test it uses is subjective, ongoing building-system vigilance is required and clear guidelines for meeting acceptable IAQ aren't provided.⁹

Moreover, the International Mechanical Code requires that the registered design professional demonstrate that an engineered ventilation system, such as ionization, will prevent the maximum concentration of contaminants from exceeding that obtainable by the rate of outdoor air ventilation determined in accordance with the minimum ventilation rates in the code.

3. Ionization Causes CO₂ Buildup and Impaired Student Performance

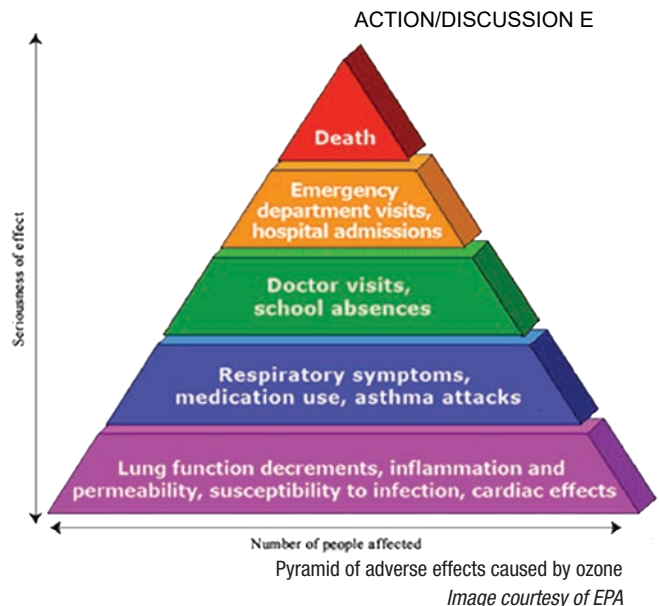
A contaminant not included in the IAQP list is carbon dioxide (CO₂), which can [negatively impact cognitive abilities and decision-making](#), according to the Harvard School of Public Health and the Lawrence Berkeley National Laboratory.¹⁰ Of particular alarm is that cognitive impairment was observed at CO₂ levels commonly found inside homes, offices and schools. These studies have prompted many organizations to take action in order to remove CO₂ from indoor spaces.

We now know that too much CO₂ in an indoor space should be avoided since it can cause cognitive impairment, yet air ionization actually increases CO₂ levels indoors. This is because air ionization breaks down contaminants into different compounds, one of which being CO₂, thus causing it to build up. In addition, air ionization uses the IAQP as its IAQ guideline, but the IAQP doesn't even include CO₂ as a contaminant, so it's not addressed.



CO₂ can negatively impact cognitive abilities and decision-making

Image source: *San Diego Hydroponics and Organics*



How does this relate to impaired student performance? Many schools have recently installed air-ionization systems, which means that CO₂ levels are rising inside classrooms and potentially causing cognitive impairment in students. To make matters worse, schools are at a disadvantage when it comes to CO₂ buildup due to their high occupant densities, which results in more CO₂ being exhaled, and outdated infrastructures that are ineffective in removing stale indoor air.

Further, children are more vulnerable than adults to the adverse effects of breathing in CO₂, as well as all indoor air contaminants. For example, the World Health Organization found that children inhale more pollutants per kilogram of body weight than do adults, and because children's airways are narrower, irritation means greater obstruction.¹¹ What's more, children's immune systems are less developed and provide a weaker defense against contaminants.

4. Ionization's Filtration Effectiveness is Questionable

On top of the concerns already mentioned above over air ionization, another one is the fact that its filtration effectiveness is questionable at best. For example, Consumer Reports looked at five ionizing air cleaners, and after conducting months of testing and expert investigation into their ability to remove dust, cigarette smoke and pollen, all five models were found to do [a poor job of cleaning the air](#).¹²

5. Ionization Systems are Unreliable and Prone to Malfunctioning

A final concern over air ionization is that these systems were shown to be unreliable and prone to malfunctioning. This was demonstrated in a study by Purdue University's School of Mechanical Engineering and Birk Nanotechnology Center showing that as air molecules are ionized, positive ions impact the cathode surface and typically force an electron to be released, thus degrading system performance over time.¹³

⁶ "Ground Level Ozone, Health Effects," U.S. Environmental Protection Agency (EPA), <http://www3.epa.gov/ozonepollution/health.html>.

⁷ "Tests on Animals Show Ozone May Cause Cancer," New York Times, October 26, 1986, <http://www.nytimes.com/1986/10/26/us/tests-on-animals-show-ozone-may-cause-cancer.html>.

⁸ "New Concerns about Ionizing Air Cleaners," Consumer Reports, May 2005, <http://www.arb.ca.gov/research/indoor/cr-05-2005.pdf>.

⁹ "Indoor Air Quality: A Guide to Understanding ASHRAE Standard 62-2001," Trane, 2002, <https://www.trane.com/commercial/Uploads/PDF/520/ISS-APG001-EN.pdf>.

¹⁰ Joe Romm, "Exclusive: Elevated CO₂ Levels Directly Affect Human Cognition, New Harvard Study Shows," Climate Progress, October 26, 2015, <http://thinkprogress.org/climate/2015/10/26/3714853/carbon-dioxide-impair-brain/>.

¹¹ "Children's Health and the Environment," World Health Organization (WHO), July 2008, http://www.who.int/ceh/capacity/Indoor_Air_Pollution.pdf.

¹² "Consumer Reports Investigates Ionizing Air Cleaners: Five Models are not Recommended; Some Can Create Significant Levels of Potentially Harmful Indoor Ozone," Consumer Reports, May 2005, <http://www.consumerreports.org/content/Pressroom/Presseng/PDF/eng0505cln.pdf>.

¹³ MS Peterson, W Zhang, TS Fisher and SV Garimella, "Low-voltage ionization of air with carbon-based materials," School of Mechanical Engineering and Birk Nanotechnology Center, Purdue University, September 2, 2005, <http://docs.lib.purdue.edu/cgi/viewcontent.cgi?article=1050&context=nanopub>.

Ventilation is the Best Option for Enhancing IAQ

What's the best way to provide cleaner and healthier indoor air?

The answer is more and better ventilation. As long as enough fresh outdoor air is coming in and stale indoor air is exhausted out, the indoor space will enjoy high-quality air. In fact, the Occupational Safety and Health Administration (OSHA) found that inadequate ventilation is the number one cause of deficient IAQ in workplaces.¹⁴

Ventilation's critical role in achieving high-quality indoor air is underscored in ASHRAE's other, more comprehensive, IAQ guideline – the Ventilation Rate Procedure (VRP) from Section 6.1 of Standard 62. As opposed to the IAQP, the VRP focuses on ventilation as the best way to dilute indoor air contaminants. The VRP clearly dictates both the quantity and quality of ventilation air, and because it's so prescriptive, is the top choice for the majority of building designers.

Boost Energy Efficiency & Savings with Energy Recovery Ventilation

Energy recovery ventilation takes the effectiveness of ventilation one step further by enhancing IAQ both energy-efficiently and cost-effectively. This ventilation technology optimizes energy efficiency by preconditioning the outside air coming in with the otherwise-wasted heat and humidity of the exhaust air going out. The result is [reduced HVAC loads](#), minimized carbon footprints and [significant annual energy savings](#) generated over the long-term.

Additionally, energy recovery ventilation is the perfect complement to increasingly [air-sealed homes and buildings](#). The goal of air-sealing methodologies is to boost energy efficiency by reducing air leaks, but as we know, this decreased ventilation can lead to deficient IAQ. With energy recovery ventilation, the energy efficiency obtained through air sealing is maintained and cleaner and healthier indoor air is provided.

In Sum

With deficient IAQ on the rise, one option to reduce indoor air contaminants that should be avoided—especially in schools—is air ionization since it can emit dangerous ozone, lacks validation, can impair student performance, has questionable effectiveness and is unreliable. The best option for enhancing IAQ is energy recovery ventilation, which provides cleaner and healthier indoor air, optimizes energy efficiency, reduces HVAC loads and generates significant long-term savings.

Nick Agopian is Vice President of Sales and Marketing at RenewAire, a pioneer in enhancing indoor air quality in commercial and residential buildings of all sizes through high-efficiency, enthalpic-core, static-plate Energy Recovery Ventilation (ERV) systems. For more information, visit: www.renewaire.com.

¹⁴ "Indoor Air Quality, Frequently Asked Questions," Occupational Safety & Health Administration (OSHA), <https://www.osha.gov/SLTC/indoorairquality/faqs.html>.

Good ventilation is important, especially in areas where students may not be able to wear masks. Eating meals outside is best. If you need to have students eat in a cafeteria, use methods such as opening windows, maximizing filtration as much as the system will allow and using portable HEPA air cleaners.

Filter and/or clean the air in your school or child care program.

- ✓ • Improve the **level of air filtration** as much as possible without significantly reducing airflow.
- ✓ • Make sure the filters are sized, installed, and replaced according to manufacturer's instructions.
- ✓ • Consider portable air cleaners that use **high-efficiency particulate air (HEPA)** filters to enhance air cleaning wherever possible, especially in higher-risk areas such as a nurse's office or sick/isolation room. All classroom has 2 of them.
- Consider using **ultraviolet germicidal irradiation (UVGI)** in schools and non-home-based child care programs as a supplemental treatment to inactivate the virus that causes COVID-19, especially if options for increasing ventilation and filtration are limited. Consult a qualified professional to help design and install any UVGI system.

Use exhaust fans in restrooms and kitchens.

- ✓ • Inspect and maintain **exhaust ventilation systems** in restrooms and kitchens.
- ✓ • Ensure **restroom and kitchen exhaust fans** are on and operating at full capacity while the school or child care program is occupied and for 2 hours afterward.

Open windows in transportation vehicles.

- Ventilation is important on buses and vans servicing schools and child care programs, along with other strategies such as mask use for people over 2 years old and physical distancing.
- **Keep vehicle windows open** when it does not create a safety or health hazard. Having more windows open is more helpful, but even just cracking a few windows open is better than keeping all windows closed.



Opening vehicle windows even a little bit can improve ventilation.

Resources for School and Child Care Administrators

- CDC: [K-12 Schools COVID-19 Mitigation Toolkit](#)
- CDC: [Operating Child Care Programs](#)
- CDC: [Ventilation in Buildings](#)
- CDC: [Improving Ventilation in your Home](#)
- U.S. Environmental Protection Agency: [Indoor Air Quality Tools for Schools](#)
- U.S. Environmental Protection Agency: [Creating Healthy Indoor Air Quality in Schools](#)
- U.S. Department of Education: [Strategies for Safely Reopening Elementary and Secondary Schools](#)
- Harvard University: [5 Step Guide to Checking Ventilation Rates in Classrooms](#)
- CDC: [Schools and Child Care Programs: Plan, Prepare, and Respond](#)
- National Resource Center for Health and Safety in Child Care and Early Education: [Caring For Our Children Chapter 5.2.1: Ventilation, Heating, Cooling, and Hot Water](#)

Student Learning and Achievement
 Health and Safety of Students and Schools
 Credibility and Communication
 Fiscal Solvency, Accountability and Integrity

Consent
 Action/Discussion
 Information/Discussion
 Public Hearing

SUBJECT: Live Streaming of Pacific Grove Unified School District Board Meetings

DATE: March 18, 2021

PERSON(S) RESPONSIBLE: Jonathan Mejia, Technology Systems Coordinator

RECOMMENDATION:

The Administration recommends that the Board review and approve the purchase of the necessary equipment in order to live stream the Board meetings from the Jesse Bray Conference Room.

BACKGROUND:

Due to the COVID-19 Pandemic, and the following Monterey County social gathering restrictions, Pacific Grove Unified School District (PGUSD) began to use Zoom to conduct Board Meetings in public and readily available to the community. Zoom has allowed us to stream make these accessible to the community, and staff members. Now that PGUSD is starting to reopen for in-person instruction in accordance with current regulations, PGUSD has seen the benefit of continuing to make these meetings available to the community via Zoom.

In order to accomplish this the Administration would like to retrofit a new Broadcast System from within the Jesse Bray Conference Room.

INFORMATION:

Purchases required to accomplish a broadcast system from within the Jesse Bray Conference Room:

- Tear out the existing projector (the current projector does not support HDMI so no High Def or audio out) and mounting bracket along with the pull-down screen on the wall.
- Put in an 85-inch Flat Panel Display mounted high to the wall where the current pull-down screen is. Possibly another smaller screen mounted high on the opposite wall and angled towards where the board sits so they can see from all angles.
- Additionally, it is recommended to mount a PTZ (remote controlled pan, tilt, and zoom) camera where the projector currently is; that will give a wide-angle view of the entire board and that way it can also be preset it to lock in on the podium for presentations and staff/public comments.
- The sound system will be routed through a dedicated laptop with a digital mixer. This will allow the board meetings via Zoom to have two-way communication from Jesse Bray to community and vice versa. This will also allow the continued recording of video and audio of board meetings for future uploading to the District YouTube channel and website.

This would require the purchase of equipment and installation in order for it meet acceptable standards. During the board meetings we will also have to hire staff to moderate the process. As a suggestion we might budget the total hours for yearly board meetings.

This system would be permanently installed in the Jesse Bray Conference Room, and as such would only be available for board meetings from within the Jesse Bray Conference Room. If Board meetings are conducted at the school sites, this system will not be available at other sites.

FISCAL IMPACT:

Current estimates put the project around \$25,000. This includes all hardware and installation costs. To be paid out of Elementary and Secondary School Emergency Relief (ESSER) funds.

- Student Learning and Achievement
- Health and Safety of Students and Schools
- Credibility and Communication
- Fiscal Solvency, Accountability and Integrity

- Consent
- Action/Discussion
- Information/Discussion
- Public Hearing

SUBJECT: Board Calendar/Future Meetings

DATE: March 18, 2021

PERSON(S) RESPONSIBLE: Ralph Gómez Porras, Superintendent

RECOMMENDATION:

The Administration recommends that the Board review and possibly modify the schedule of meeting dates on the attached calendar and determine, given information from the Administration, whether additional Board dates or modifications need to be established.

BACKGROUND:

The Board has approved Bylaw 9320, which states that regular Board meetings be held on the first and third Thursday of each month, from August through June. At the annual organizational meeting held in December, Trustees approve the meeting calendar as presented. The calendar is reviewed at each Board meeting.

INFORMATION:

Changes to the Board meeting dates must be approved by a majority vote of the Trustees.

Board Meeting Calendar, 2020-21 School Year January- June

Thursday Jan. 7	Regular Board Meeting ✓ Preliminary Enrollment Projection for 2021-22 ✓ Property Tax Update ✓ PGHS Course Bulletin Action/Discussion	VIRTUAL
Thursday Jan. 21	Regular Board Meeting ✓ School Accountability Report Cards ✓ Acceptance of the 2019-20 Audit Report ✓ Report on Governor's Budget Proposal	VIRTUAL
Saturday Jan. 30 9am	Special Board Meeting ✓ Board Goals – Review/Revise ✓ Strategic Plan – Review/Revise ✓ Measure D Goals and Objectives	VIRTUAL
Thursday Feb. 4	Regular Board Meeting ✓ Budget Development Calendar ✓ Quarterly Facilities Project Updates*	VIRTUAL
Thursday Feb. 18	Regular Board Meeting ✓ Board Goals- Approval ✓ Governance Handbook- Approval	VIRTUAL
Thursday Mar. 4	Regular Board Meeting ✓ Second Interim Report/Budget Revision #3 ✓ Open House Schedules Reviewed ✓ Possible Personnel Action (RIF)	VIRTUAL
Thursday Mar. 18	Regular Board Meeting ✓ Budget Projections and Assumptions ✓ Williams/Valenzuela Uniform Complaint Report ✓ Preliminary Review of PGHS Site Master Schedule ✓ Review of Strategic Plan 2021-22	VIRTUAL
Thursday Apr. 1	Regular Board Meeting ✓ Review of Strategic Plan 2021-22 ✓ Approve 2021-22 Aug.- Dec. Board Meeting Calendar ✓ Quarterly District Safety Update ✓ Superintendent's Goals 2021-22 ✓ TRAN Resolution	VIRTUAL
Thursday April 22	Regular Board Meeting ✓ Review of Site Master Schedules ✓ California Day of the Teacher ✓ Week of the CSEA Employee ✓ Begin Superintendent Evaluation ✓ Employee Recognition ✓ Superintendent's Goals 2021-22	VIRTUAL
Thursday May 6	Regular Board Meeting ✓ Continue Superintendent Evaluation	VIRTUAL

Thursday May 20	Regular Board Meeting ✓ Complete Superintendent's Evaluation ✓ Review Governor's Revised Budget ✓ Suspensions/Expulsions Annual Report	VIRTUAL
Thursday June 3	Regular Board Meeting ✓ 2021-22 Budget Public Hearing ✓ Retiree Recognition ✓ LCAP Public Hearing	VIRTUAL
Thursday June 17	Regular Board Meeting ✓ Approval of Contracts and Purchase Orders for 2021-22 ✓ Review of Legal Services Costs ✓ Solicitation of Funds Report ✓ Consolidated Application ✓ Approval of LCAP ✓ 2021-22 Budget Adoption	VIRTUAL

**Quarterly District Safety Update and Quarterly Facilities Projects Update as needed*

- | | |
|--|--|
| <input checked="" type="checkbox"/> Student Learning and Achievement | <input type="checkbox"/> Consent |
| <input type="checkbox"/> Health and Safety of Students and Schools | <input type="checkbox"/> Action/Discussion |
| <input type="checkbox"/> Credibility and Communication | <input checked="" type="checkbox"/> Information/Discussion |
| <input type="checkbox"/> Fiscal Solvency, Accountability and Integrity | <input type="checkbox"/> Public Hearing |

SUBJECT: Elementary Language Program

DATE: March 18, 2021

PERSON(S) RESPONSIBLE: Ana Silva, Director of Curriculum & Special Projects

RECOMMENDATION:

The District Administration recommends the Board review and provide direction regarding the options presented to provide a Spanish language program for the elementary schools.

BACKGROUND:

There has been interest to provide language instruction at the elementary level for some time now. Pacific Grove Unified School District Board of Education has shown an interest in investigating options to provide a Spanish language program for elementary schools.

In the school years 2017-2018 an afterschool Spanish Language program was offered for students in first grade two days per week (one hour per class) at Robert Down. The following school year (2018-2019), it was offered to second grade students 2 days per week (one hour per class) at Robert Down and at Forest Grove. There was limited space and therefore not all who wanted to attend were able to be included in this offering.

INFORMATION:

The presentation will consist of two options for Spanish Language Programs to consider for possible implementation. The first option and most effective for language acquisition is a Dual Language Immersion Instructional Program. The second option is a modified language program exposing students to the language, however not considered to be an instructional program with bi-literacy and bilingualism as its goal. This is what was offered in the past at both elementary schools as an afternoon program once a week at each school. However, in order to acquire a second language a student must be able to collaborate with others in the target language, interpret via written and spoken texts, produce the language in speaking/writing, and understand how the language works (structure, syntax, semantics).

FISCAL IMPACT: None at this time



Language Instruction

March 18, 2021

Ani Silva

Director of Curriculum and Special Projects

Dual Language Immersion

- ▶ Dual language learner: **dual language learners** as children who “acquire two or more languages simultaneously, and learn a second **language** while continuing to develop their first **language**.”
- ▶ Bilingual education:
 - ▶ literacy and content in two languages (bi-literacy)
 - ▶ awareness of linguistic and cultural diversity
 - ▶ high levels of academic achievement through instruction in two languages.

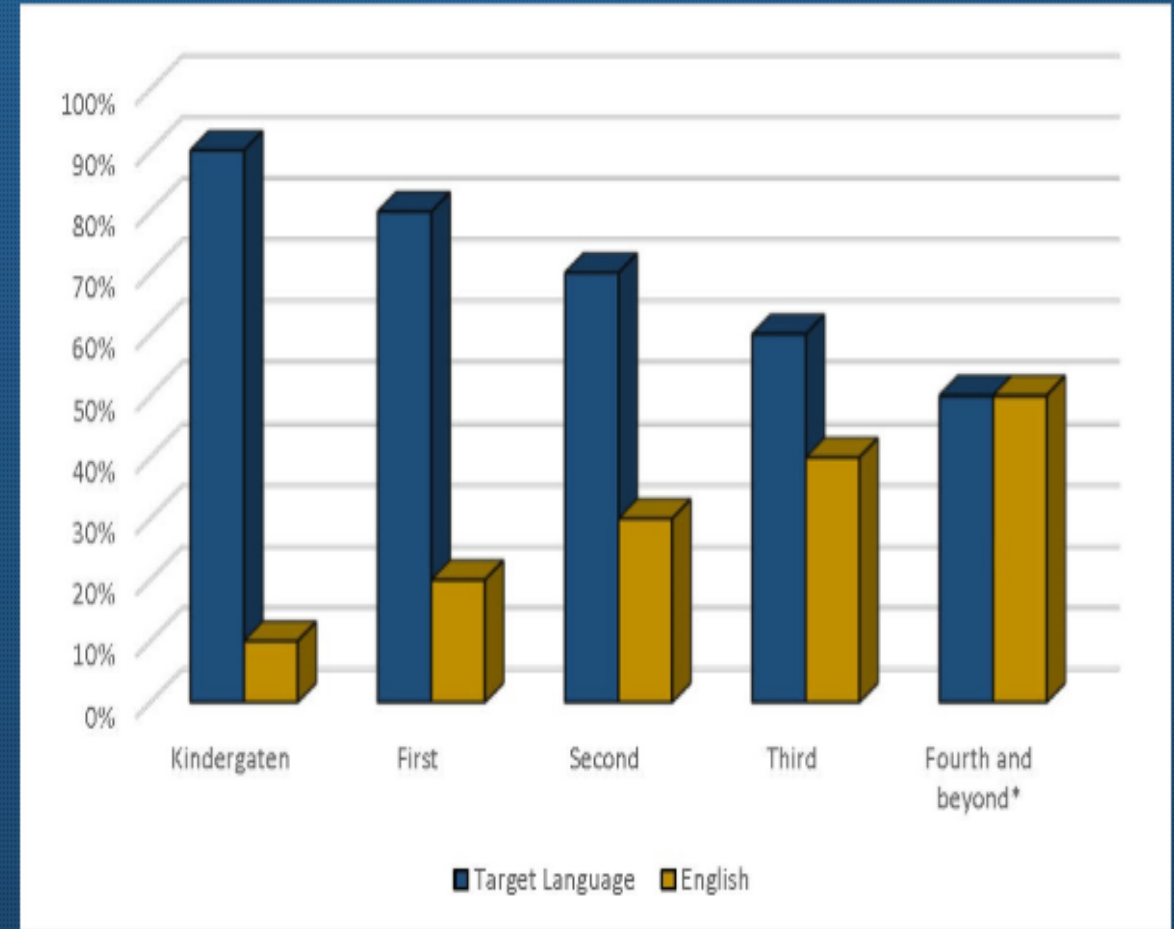
Dual Language Programs

- ▶ **One Way** Immersion: either native English-speakers or native speakers of the second language make up all or most of the students enrolled and **instruction** takes place in two languages.
- ▶ **Two-way immersion** (TWI) is a distinctive form of dual language education in which balanced numbers of native English speakers and native speakers of the partner language are integrated for instruction so that both groups of students serve in the role of language model and language learner at different times.

**Quality language instructional programs require long term, systemic changes for the sites and the district (staffing, budget, scheduling and commitment to targeted professional development).*

Grade	Target Language	English
Kindergarten	90%	10%
First	80%	20%
Second	70%	30%
Third	60%	40%
Fourth and beyond*	50%	50%

**For many programs, the percentage in the target language is reduced further at the secondary level, often to 30%-40%, or a minimum of 2 courses/classes, for reasons that include lack of highly qualified biliterate teachers with a secondary credential in the various subject areas.*



Dual Language Immersion

Possibilities

- District Dual Language Immersion at one site
- Admission by lottery
- 50/50 Spanish/English speakers
- Have a bilingual Kinder teacher now
- Every year hire a bilingual teacher 1st, 2nd, 3rd, 4th, and 5th

Challenges

- New bilingual-Spanish teacher per year per grade level (space consideration)
- Intensive and specialized professional development
- Specialized curriculum in Spanish for content areas to be taught in Spanish
- Long term for a continuation of Spanish classes offered at the Middle school.

Modified Language Program *

- ▶ K-1 push in Spanish teacher at both sites (.5 FTE?) and every year add one more grade level
- ▶ Consider instructional minutes and where we can fit in Spanish program
- ▶ Should be at least 90-125 minutes per week (HS 250 minutes)
- ▶ Could add instructional minutes to the current scheduled student day
- ▶ Look at scheduling on how to fit it in: similar to music, library, computer lab (approximately 30 minutes a week) total 90 minutes per week.
- ▶ Work with K-1 teachers to determine a schedule for language program (rotation schedule)

**Considered an exposure to Spanish language and not an instructional program*

- | | |
|---|--|
| <input type="checkbox"/> Student Learning and Achievement | <input type="checkbox"/> Consent |
| <input type="checkbox"/> Health and Safety of Students and Schools | <input type="checkbox"/> Action/Discussion |
| <input type="checkbox"/> Credibility and Communication | <input checked="" type="checkbox"/> Information/Discussion |
| <input checked="" type="checkbox"/> Fiscal Solvency, Accountability and Integrity | <input type="checkbox"/> Public Hearing |

SUBJECT: 2020-21 and 2021-22 Budget Discussion

DATE: March 18, 2021

PERSON(S) RESPONSIBLE: Song Chin-Bendib, Assistant Superintendent for Business Services

RECOMMENDATION:

The District Administration recommends that the Board begin reviewing key components or assumptions of the District Budget.

BACKGROUND:

The District Budget reflects the educational programs of the District expressed in terms of the allocation of financial resources. As such, the budget includes estimates of the amount of revenues and expenditures, both of which are affected by changes in: property taxes, enrollment, number of employees, and salaries and benefits.

INFORMATION:

This is the first step in developing a base budget for each fiscal year. Below are the fundamentals and the assumptions that applied to these fundamentals. The assumptions used will be updated as time progresses.

For Review:

- 1) General Fund
- 2) CBEDS Enrollment
- 3) Staffing
- 4) STRS-PERS costs
- 5) Health Care
- 6) Step and Column
- 7) Site Allocations
- 8) Property Taxes

FISCAL IMPACT:

None, this item is for review only.

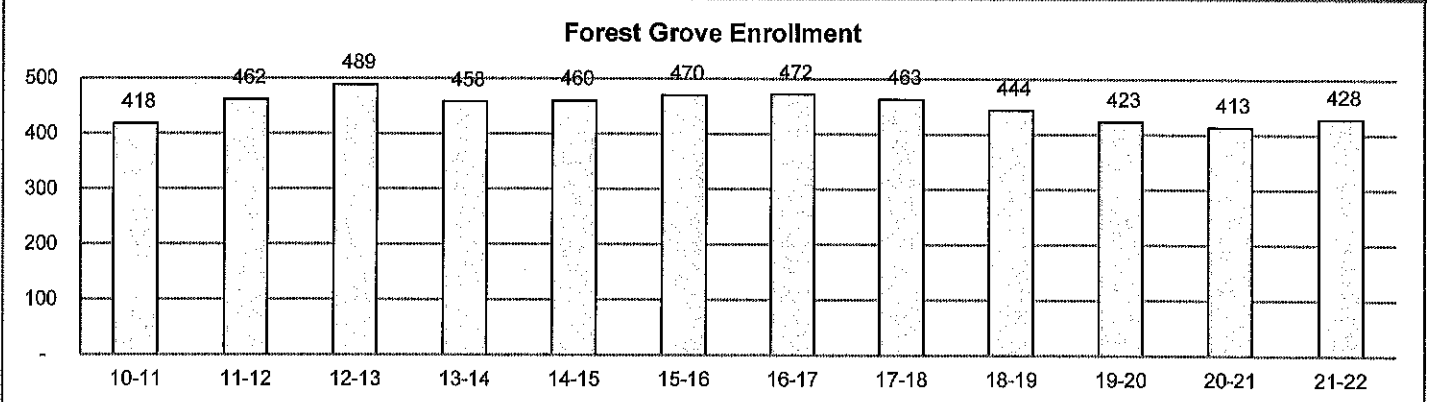
Fund 1 - General Fund

	5.96%	6.52%	4.71%	5.14%	5.14%	3.65%	3.00%
	2017-18	2018-19	2019-20	2020-21	2020-21	2021-22	2022-23
	Actuals	Actuals	Actuals	First Interim	Second Interim	Estimate	Estimate
Beginning Fund Balance - Rest	724,568	446,664	526,947	916,588	916,593	-	-
Beginning Fund Balance - Unrest.	4,663,312	4,151,404	4,169,422	4,496,234	4,496,234	5,662,001	6,576,368
Beginning Fund Balance	5,387,880	4,598,068	4,696,369	5,412,822	5,412,827	5,662,001	6,576,368
Revenues:							
LCFF Sources 8000	27,410,041	29,357,332	30,391,753	31,769,432	31,769,440	32,837,393	33,747,072
Federal Sources 8100	795,584	719,971	669,659	1,559,289	1,612,281	731,280	736,187
State Sources 8300	2,245,339	2,700,969	2,837,359	2,453,254	2,453,254	2,288,037	2,307,136
Local Sources 8600	1,583,927	1,721,841	1,973,552	1,708,342	1,699,479	1,699,479	1,699,479
Total Revenues	32,034,891	34,500,113	35,872,323	37,490,317	37,534,454	37,556,188	38,489,874
percent change	5.1%	2.7%	0.5%	3.1%	0.3%	3.3%	2.5%
Expenditures:							
Certificated Salaries 1000	16,068,126	17,073,639	17,045,277	17,877,646	17,741,410	17,876,182	18,149,131
Classified Salaries 2000	5,892,951	6,579,721	6,532,991	6,667,988	6,582,045	6,444,528	6,554,753
Employee Benefits 3000	6,170,056	7,068,637	7,861,659	7,926,709	7,835,365	8,266,198	9,002,752
Books and Supplies 4000	1,414,682	933,021	907,160	1,898,414	1,821,499	1,112,137	808,485
Services and Other 5000	3,114,199	2,435,873	2,374,406	2,537,838	2,726,336	2,664,684	2,665,723
Capital Outlay 6000	74,062	41,256	115,593	35,908	35,908	-	-
Other Outgo 7000	40,543	650	318,895	297,260	542,717	278,091	148,091
Total Expenditures	32,774,619	34,132,796	35,155,981	37,241,763	37,285,280	36,641,821	37,328,935
percent change	7.7%	-1.6%	-1.1%	4.8%	0.5%	3.1%	1.9%
Surplus (Deficit)	(739,727)	367,317	716,343	248,554	249,174	914,367	1,160,939
carryover funds				566,492	578,827		
Transfers In (Out)							
Fund 11 - Adult Education		(93,891)					
Fund 12 - Child Development			95,515	63,670	(224,866)	(150,000)	
Fund 13 - Cafeteria	(50,864)	(58,105)	95,111	179,321	(263,582)	(73,822)	(93,822)
Fund 14 - Deferred Maintenance							
Fund 20 - Postemployment Ben.							
Other Sources (Uses) Bus/FD 40		(117,024)	-	-	-	-	-
Net Transfers In (Out)	(50,864)	(269,019)	190,626	242,991	(488,448)	(223,822)	(93,822)
Ending Fund Balance	4,597,288	4,696,366	5,412,712	5,661,376	5,662,001	6,576,368	7,737,308
Components of Ending Fund Balance							
a Nonspendable - Revolving Cash	5,000	5,000	5,000	5,000	5,000	5,000	5,000
b Restricted (restricted carryover)	446,664	526,947	916,588	350,091	337,761	337,761	337,761
c Committed / Prepaid Exp.		3,220					
d Assigned							
Prop Tax Reserve (0.50%)	124,728	132,866	139,119	146,274	146,274	151,613	156,162
Basic Aid Reserve	1,028,873	1,032,054	2,636,125	3,468,794	3,480,108	4,427,757	5,417,486
Sick Leave Incentive Reserve	40,000	70,000	70,000	70,000	70,000	70,000	70,000
Deferred Maint. & RRM Reserve	819,346	539,351	355,539	381,236	382,682	363,379	383,992
STRS/PERS Reserve 2020-21	1,000,994	1,057,412	235,783	122,728	121,617	121,604	247,039
C/o to FD 40; Donations	117,024	297,461					
e 3% Resv for Econ Uncertainties (3 Unassigned/Unappropriated)	1,015,438	1,032,054	1,054,679	1,117,253	1,118,558	1,099,255	1,119,868
subtotal Unrestricted Reserves	4,146,403	4,161,199	4,491,246	5,306,285	5,319,240	6,233,607	7,394,547
Undesignated Resv Percent	12.6%	12.1%	12.8%	14.3%	14.1%	16.9%	19.8%
Ending Fund Balance	4,598,067	4,696,366	5,412,834	5,661,376	5,662,001	6,576,368	7,737,308

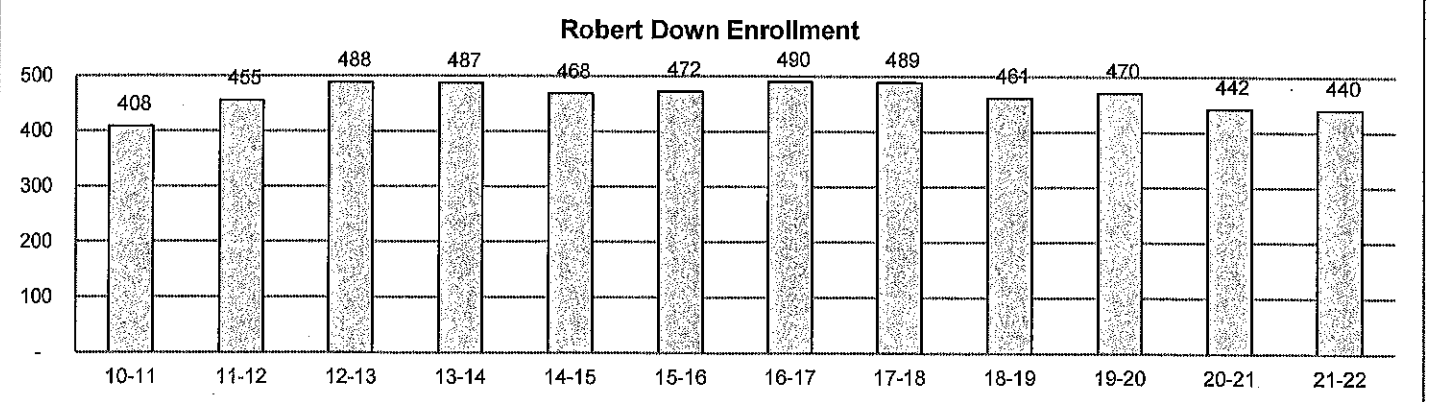
Pacific Grove Unified School District

Enrollment - CBEDS

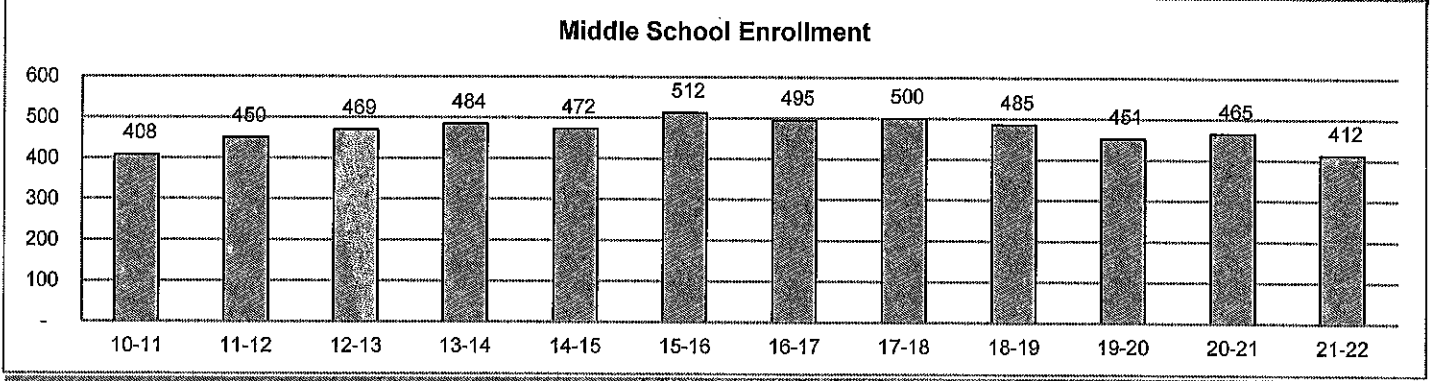
	2014-15 actual		2015-16 actual		2016-17 actual		2017-18 actual		2018-19 actual		2019-20 actual		2020-21 actual		2021-22 estimate	
	CBEDS	%	CBEDS	%	CBEDS	%	CBEDS	%	CBEDS	%	CBEDS	%	CBEDS	%	CBEDS	%
Forest Grove																
TK	27		26		28		27		26		25		17		25	
K	78		78		85		65		65		68		59		68	
1	64	0.0%	82	5.1%	73	-6.4%	86	1.2%	58	-10.8%	62	-4.6%	66	-2.9%	59	0.0%
2	69	1.5%	66	3.1%	80	-2.4%	66	-9.6%	89	3.5%	60	3.4%	66	6.5%	66	0.0%
3	69	-2.8%	70	1.4%	72	9.1%	77	-3.8%	63	-4.5%	84	-5.6%	61	1.7%	66	0.0%
4	75	11.9%	71	2.9%	68	-2.9%	76	5.6%	73	-5.2%	55	-12.7%	83	-1.2%	61	0.0%
5	78	-12.4%	77	2.7%	66	-7.0%	66	-2.9%	70	-7.9%	69	-5.5%	61	10.9%	83	0.0%
Total	460		470		472		463		444		423		413		428	
change	2	0.4%	10	2.2%	2	0.4%	(9)	-1.9%	(19)	-4.1%	(21)	-4.7%	(10)	-2.4%	15	3.6%



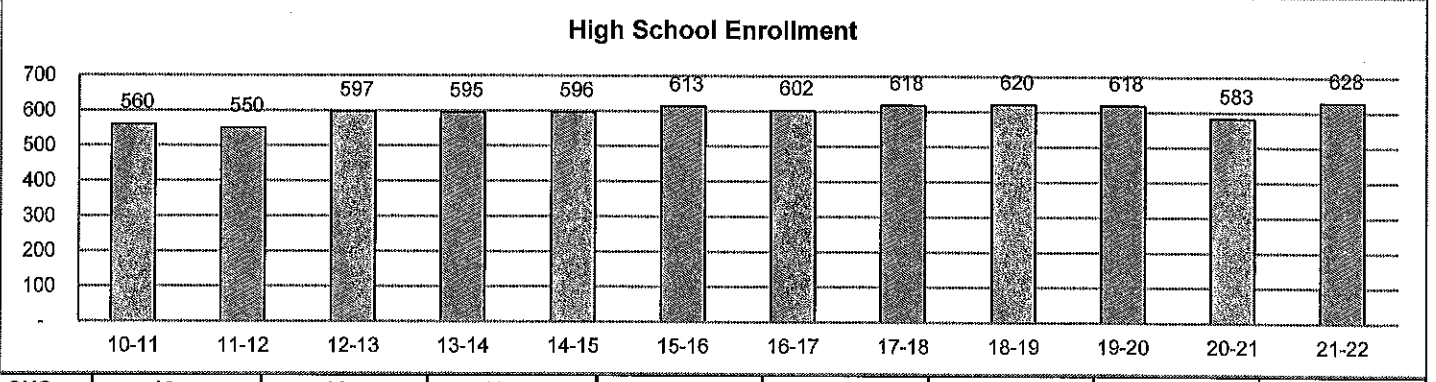
Robert Down																
K	76		68		87		76		81		66		61		65	
1	72	2.9%	83	9.2%	78	14.7%	90	3.4%	73	-3.9%	86	6.2%	72	9.1%	61	0.0%
2	79	-13.2%	79	9.7%	78	-6.0%	81	3.8%	88	-2.2%	74	1.4%	88	2.3%	72	0.0%
3	85	-5.6%	87	10.1%	73	-7.6%	76	-2.6%	76	-6.2%	92	4.5%	75	1.4%	88	0.0%
4	72	0.0%	86	1.2%	93	6.9%	73	0.0%	79	3.9%	73	-3.9%	79	-14.1%	75	0.0%
5	84	-3.4%	69	-4.2%	81	-5.8%	93	0.0%	64	-12.3%	79	0.0%	67	-8.2%	79	0.0%
Total	468		472		490		489		461		470		442		440	
change	(19)	-3.9%	4	0.9%	18	3.8%	(1)	-0.2%	(28)	-5.7%	9	2.0%	(28)	-6.0%	(2)	-0.5%



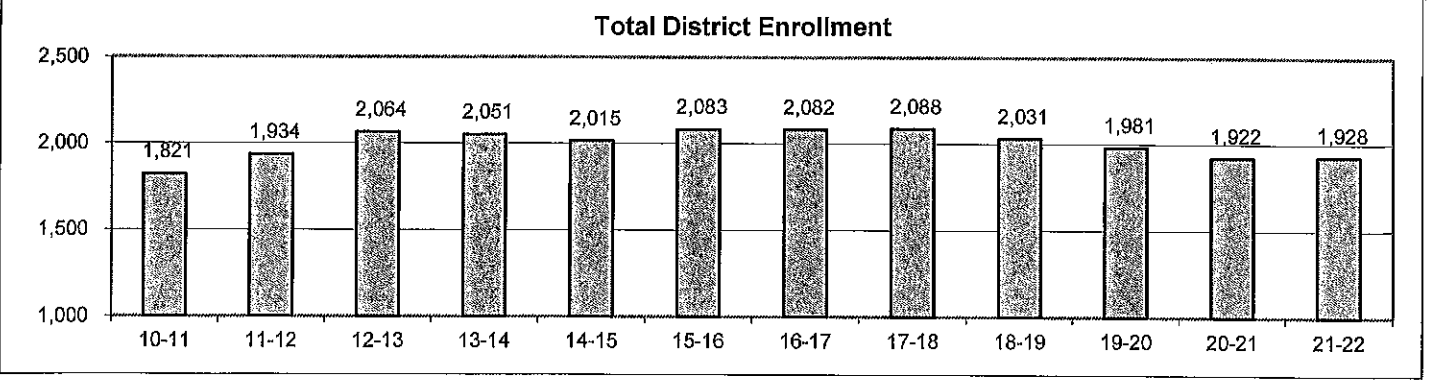
	2014-15		2015-16		2016-17		2017-18		2018-19		2019-20		2020-21		2021-22	
	CBEDS	%	CBEDS	%	CBEDS	%	CBEDS	%	CBEDS	%	CBEDS	%	CBEDS	%	CBEDS	%
Middle School																
6	153	-0.6%	188	16.0%	151	3.4%	155	5.4%	174	9.4%	131	-2.2%	151	2.0%	128	0.0%
7	163	-6.3%	164	7.2%	186	-1.1%	161	6.6%	144	-7.1%	180	3.4%	133	1.5%	151	0.0%
8	156	-3.7%	160	-1.8%	158	-3.7%	184	-1.1%	167	3.7%	140	-2.8%	181	0.6%	133	0.0%
Total	472	-2.5%	512	8.5%	495	-3.3%	500	1.0%	485	-3.0%	451	-7.0%	465	3.1%	412	-11.4%
change	(12)	-2.5%	40	8.5%	(17)	-3.3%	5	1.0%	(15)	-3.0%	(34)	-7.0%	14	3.1%	(53)	-11.4%



High School																
9	160	8.1%	164	5.1%	170	6.3%	169	7.0%	184	0.0%	168	0.6%	136	-2.9%	181	0.0%
10	151	-1.3%	155	-3.1%	152	-7.3%	170	0.0%	150	-11.2%	171	-7.1%	157	-6.5%	136	0.0%
11	151	-9.6%	147	-2.6%	138	-11.0%	144	-5.3%	148	-12.9%	138	-8.0%	154	-9.9%	157	0.0%
12	134	-4.3%	147	-2.6%	142	-3.4%	135	-2.2%	138	-4.2%	141	-4.7%	136	-1.4%	154	0.0%
Total	596		613		602		618		620		618		583		628	
change	1	0.2%	17	2.9%	(11)	-1.8%	16	2.7%	2	0.3%	(2)	-0.3%	(35)	-5.7%	45	7.7%



CHS	19		16		23		18		21		19		19		20	
District	2,015		2,083		2,082		2,088		2,031		1,981		1,922		1,928	
change	(36)	-1.8%	68	3.4%	(1)	0.0%	6	0.3%	(57)	-2.7%	(50)	-2.5%	(59)	-3.0%	6	0.3%



Pacific Grove Unified School District

Staffing by Location - 2020-21

Positions	Forest Grove	Robert Down	Middle School	High School	Comm High	Adult Ed	David Ave	M&O Transp	Spec Ed	Food Serv	District Office	Total Staffing
Account Clerk I				0.50								0.50
Admin Secretary I											2.00	2.00
Admin Specialist											2.00	2.00
Admin Asst II-III-IV			1.00	3.50	0.63	1.00		0.50				6.63
Bus Drivers/Foreman								1.81				1.81
Campus Supervisor			0.75	1.63								2.38
Career Tech				0.75								0.75
Child care attendant	-	-				0.61						0.61
Clerk III	0.73	0.75	1.75	1.00		3.24					0.75	8.21
Computer Tech II/Info Tech Coordinator	1.00	1.00	1.00	1.00		0.75					1.00	4.75
Counselor	1.00	1.00	1.00	3.00								6.00
Custodian I-II	2.00	3.00	3.00	4.50	0.50	2.00						15.00
Director I								1.00	1.00	1.00	2.20	5.20
Director II											1.00	1.00
Fiscal Officer											1.00	1.00
Food Service I-II-III										4.38		4.38
Grounds								2.00				2.00
Health Care/Nurse	0.75	0.75	0.75								1.00	3.25
Inst Assistant II	2.16	1.25	3.00	3.00								9.41
Inst Assistant (SIP/PE)	4.19	2.90	1.38	0.84			0.75					10.05
Inst Assistant I	1.18	1.16		-		7.65						9.99
Library Tech I				0.25								0.25
Library Tech II	0.75	0.75	0.75									2.25
Library Tech III				0.25								0.25
Librarian				1.00								1.00
Lunch Noon Duty	1.13	0.88	0.13									2.13
Maintenance II								3.00				3.00
Maintenance III												-
Maintenance Utility								1.94				1.94
Office Manager	1.00	1.00										2.00
OT-Occupational Therapist	0.80	0.80										1.60
Paraprofessional	5.43	3.31	4.06	4.06		2.11	0.74					19.72
Payroll/Benefits											1.00	1.00
Personnel Spec/Tech											1.88	1.88
Preschool Teacher												-
Principal Asst			1.00	1.00								2.00
Principal	1.00	1.00	1.00	0.80	0.20	0.80						4.80
Psychologist	0.60		1.00	1.00								2.60
Program Specialist						3.39						3.39
Rec Attendant	1.54	1.78										3.32
Rec Coordinator/Lead	1.00	1.00										2.00
Speech Teacher	1.00	1.00	0.80						1.00			3.80
Supt/Asst Supt											2.00	2.00
Teachers (& L/T subs)	29.50	25.90	28.20	34.80	2.00	6.71	2.00		1.20			130.31
Staffing - 2020-21	56.75	49.21	50.56	62.88	3.33	29.26	3.49	10.25	3.20	5.38	15.83	290.13
Staffing - 2019-20	56.89	49.80	50.56	61.24	3.33	35.43	4.08	11.50	-	5.38	19.03	297.24
Staffing - 2018-19	57.01	50.33	50.79	59.75	2.83	47.47	8.03	12.19	3.20	5.31	17.58	314.49
Staffing - 2017-18	50.99	49.26	45.94	57.22	3.23	19.58		12.00	8.60	5.38	17.78	269.98

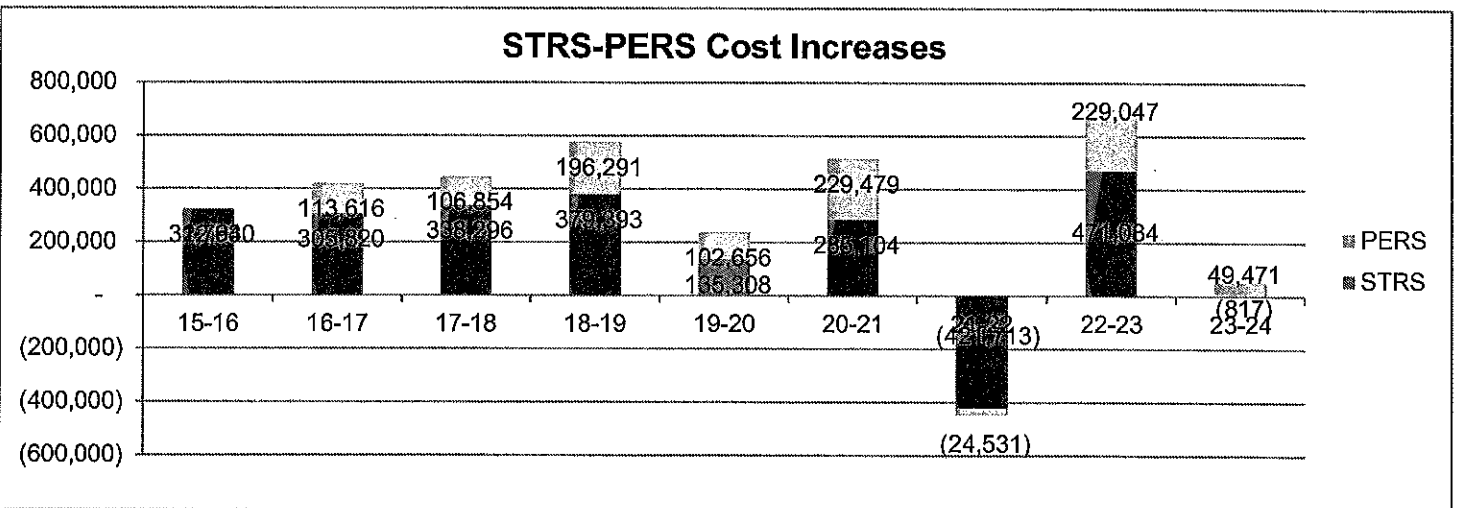
Pacific Grove Unified School District

STRS-PERS Cost Increases

STRS	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24
Old Rate	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%
Cert Payroll	14,068,329	15,120,421	16,068,126	17,090,953	17,036,292	17,663,212	17,876,182	18,149,131	18,693,605
Cost	1,160,637	1,247,435	1,325,620	1,410,004	1,405,494	1,457,215	1,474,785	1,497,303	1,542,222
New Rate	10.73%	12.58%	14.43%	16.28%	17.10%	18.40%	15.92%	18.40%	18.10%
Cert Payroll	14,068,329	15,120,421	16,068,126	17,090,953	17,036,292	17,663,212	17,876,182	18,149,131	18,693,605
Cost	1,509,532	1,902,149	2,318,631	2,782,407	2,913,206	3,250,031	2,845,888	3,339,440	3,383,542
Addtl Cost	348,895	654,714	993,010	1,372,404	1,507,712	1,792,816	1,371,103	1,842,137	1,841,320
compared to old rate									
Addtl Cost	322,630	305,820	338,296	379,393	135,308	285,104	(421,713)	471,034	(817)
compared to prior year									

PERS	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24
Old Rate	11.44%	11.44%	11.44%	11.44%	11.44%	11.44%	11.44%	11.44%	11.44%
Class Payroll	5,060,143	5,478,317	5,892,951	6,605,049	6,521,442	6,846,318	6,444,528	6,554,753	6,751,395
Cost	578,982	626,829	674,271	755,750	746,183	783,356	737,383	749,995	772,495
New Rate	11.85%	13.89%	15.53%	18.062%	19.721%	22.680%	23.000%	26.300%	26.60%
Class Payroll	5,060,143	5,478,317	5,892,951	6,605,049	6,521,442	6,846,318	6,444,528	6,554,753	6,751,395
Cost	599,475	760,938	915,234	1,193,004	1,286,094	1,552,745	1,482,241	1,723,900	1,795,871
(these rates were adopted by Cal-PERS on 4-17-18)									
Addtl Cost	20,494	134,109	240,963	437,254	539,910	769,389	744,858	973,905	1,023,377
compared to old rate									
Addtl Cost	1,794	113,616	106,854	196,291	102,656	229,479	(24,531)	229,047	49,471
compared to prior year									

STRS-PERS	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24
Combined	369,388	788,823	1,233,973	1,809,658	2,047,622	2,562,205	2,115,962	2,816,042	2,864,697
Compared to old rate									
Combined	324,423	419,435	445,150	575,685	237,964	514,583	(446,244)	700,080	48,655
compared to prior year									

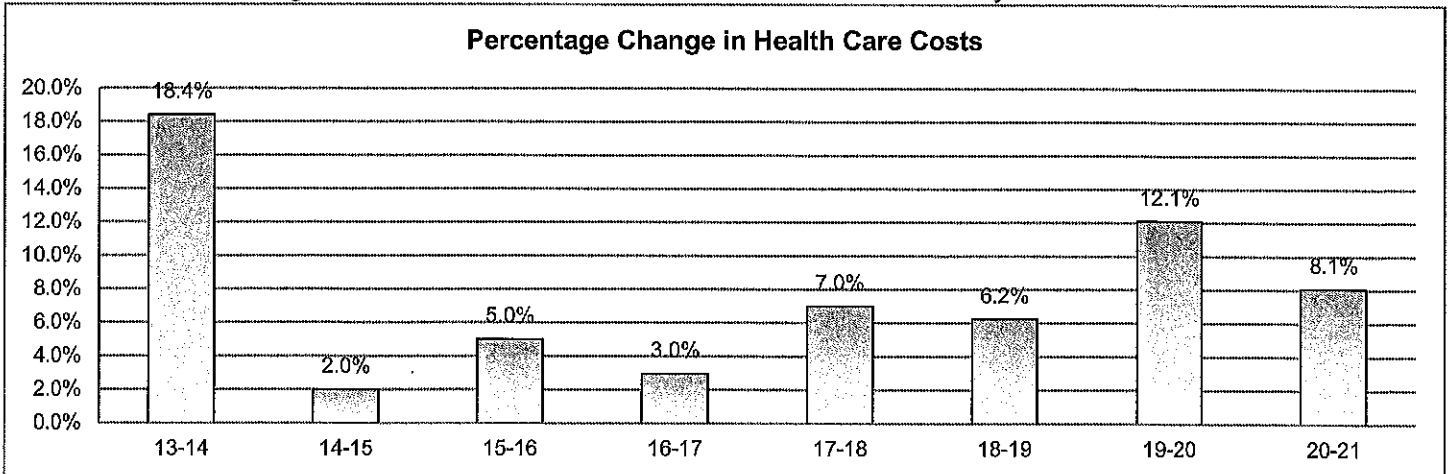


Pacific Grove Unified School District

Health Care Plans

	2013-14 actual	2014-15 actual	2015-16 actual	2017 Cal actual	2018 Cal actual	2019 Cal actual	2020 Cal actual	2021 Cal actual
\$20 Single	941.69	960.52	1,008.55	1,038.00	1,131.00	1,201.00	1,465.00	N/A
Emp + 1	1,879.84	1,917.44	2,013.31	2,073.00	2,260.00	2,400.00	2,927.00	N/A
Family	2,442.74	2,491.59	2,616.17	2,694.00	2,936.00	3,118.00	3,802.00	N/A
\$25 Single	679.28	692.87	727.51	749.00	801.00	851.00	954.00	1,031.00
Emp + 1	1,354.74	1,381.83	1,450.93	1,494.00	1,599.00	1,698.00	1,904.00	2,057.00
Family	1,760.00	1,795.20	1,884.96	1,941.00	2,077.00	2,206.00	2,473.00	2,672.00
\$30 Single	645.32	658.23	691.14	711.00	761.00	808.00	866.00	936.00
Emp + 1	1,287.00	1,312.74	1,378.38	1,419.00	1,518.00	1,612.00	1,728.00	1,867.00
Family	1,672.00	1,705.44	1,790.71	1,844.00	1,973.00	2,095.00	2,245.00	2,426.00
\$35 Single	628.34	640.91	672.95	693.00	742.00	755.00	884.00	N/A
Emp + 1	1,253.14	1,278.20	1,342.11	1,382.00	1,479.00	1,571.00	1,761.00	N/A
Family	1,628.00	1,660.56	1,743.59	1,795.00	1,921.00	2,040.00	2,287.00	N/A
\$40 Single	611.35	623.58	654.76	674.00	721.00	766.00	821.00	887.00
Emp + 1	1,219.27	1,243.66	1,305.84	1,345.00	1,439.00	1,528.00	1,638.00	1,770.00
Family	1,584.00	1,615.68	1,696.46	1,747.00	1,869.00	1,985.00	2,127.00	2,298.00
\$50 Single	573.67	585.14	614.40	632.00	676.00	718.00	770.00	832.00
Emp + 1	1,144.11	1,166.99	1,225.34	1,262.00	1,350.00	1,434.00	1,537.00	1,661.00
Family	1,486.36	1,516.09	1,591.89	1,639.00	1,754.00	1,863.00	1,997.00	2,158.00
\$60 Single	514.90	525.20	551.46	568.00	608.00	646.00	693.00	749.00
Emp + 1	1,026.89	1,047.43	1,099.80	1,132.00	1,211.00	1,286.00	1,378.00	1,489.00
Family	1,334.08	1,360.76	1,428.80	1,471.00	1,574.00	1,672.00	1,792.00	1,936.00
EPO Single		460.64	484.88	499.00	544.00	578.00	620.00	670.00
Emp + 1		918.34	966.67	995.00	1,085.00	1,152.00	1,235.00	1,334.00
Family		1,192.95	1,255.74	1,293.00	1,409.00	1,496.00	1,603.00	1,732.00
Percent Change	18.41%	2.00%	5.00%	2.95%	7.00%	6.24%	12.10%	8.07%
Dental No Ortho								
Single	55.94	62.00	62.00	62.00	59.00	59.00	59.00	59.00
Emp + 1	102.85	113.00	113.00	113.00	107.00	107.00	107.00	107.00
Family	167.86	185.00	185.00	185.00	176.00	176.00	176.00	176.00
Vision								
Single	12.33	12.33	12.33	12.33	12.00	12.00	12.00	12.00
Emp + 1	20.62	20.62	20.62	20.62	20.00	20.00	20.00	20.00
Family	36.99	36.99	36.99	36.99	35.00	35.00	35.00	35.00

note: MCSIG rate changes are announced in October and become effective January 1. Includes life insurance



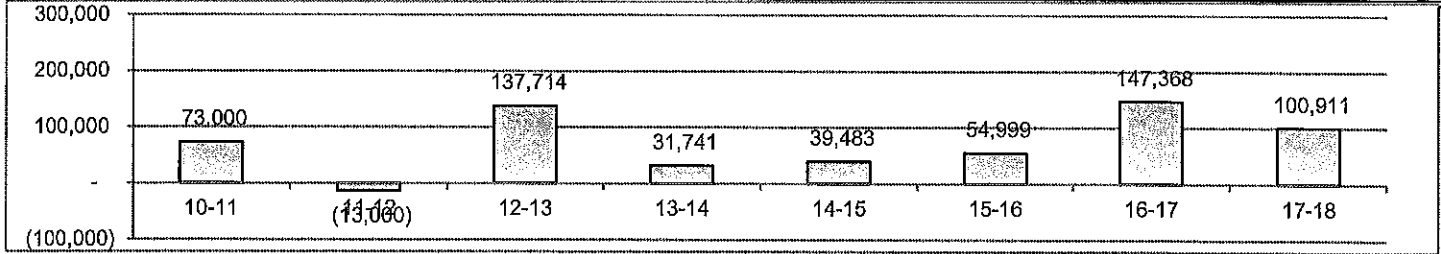
Step and Column 19-20 to 20-21

	Employee	2019-20				2020-21				Increase	%
		C	S	FTE	Salary	C	S	FTE	Salary		
1		VI	29	1.00	126,297	VI	30	1.00	126,297	-	0.0%
2		VI	11	1.00	105,182	VI	12	1.00	108,499	3,317	3.2%
3		IV	10	1.00	93,556	IV	11	1.00	95,925	2,369	2.5%
4		C	10	1.00	58,765	C	10	1.00	58,765	-	0.0%
5		IV	19	1.00	115,258	VI	20	1.00	115,258	-	0.0%
6		V	12	1.00	103,930	V	13	1.00	106,716	2,786	2.7%
7		VI	2	1.00	76,729	VI	3	1.00	79,658	2,929	3.8%
8		IV	7	1.00	85,109	IV	8	1.00	87,419	2,310	2.7%
9		VI	10	1.00	102,114	VI	11	1.00	105,182	3,068	3.0%
10		VI	11	1.00	105,182	VI	12	1.00	108,499	3,317	3.2%
11		VI	26	1.20	122,846	VI	27	1.20	126,297	3,451	2.8%
12		VI	33	1.00	126,297	VI	34	1.00	126,297	-	0.0%
13		II	1	0.40	25,760	II	2	0.40	26,396	636	2.5%
14		IV	5	1.00	80,488	IV	6	1.00	82,797	2,309	2.9%
15		VI	14	1.00	111,530	VI	15	1.00	111,530	-	0.0%
16		VI	14	1.00	111,530	VI	15	1.00	111,530	-	0.0%
17		V	3	1.00	78,325	V	4	1.00	80,994	2,669	3.4%
18		VI	23	1.00	118,984	VI	24	1.00	118,984	-	0.0%
19		VI	25	1.00	122,846	VI	26	1.00	122,846	-	0.0%
20		V	10	0.60	58,955	V	11	1.00	60,755	1,800	3.1%
21		V	11	1.20	121,511	V	12	1.20	124,716	3,205	2.6%
22		V	4	1.00	82,147	V	5	1.00	85,717	3,570	4.3%
23		V	6	1.00	86,334	V	7	1.00	89,003	2,669	3.1%
24		VI	11	1.00	105,182	VI	12	1.00	108,499	3,317	3.2%
25		II	7	1.20	88,733	II	8	1.20	90,642	1,909	2.2%
26		VI	12	1.00	108,499	VI	13	1.00	111,530	3,031	2.8%
27		III	6	1.00	78,137	III	7	1.00	80,088	1,951	2.5%
28		VI	24	1.00	118,984	VI	25	1.00	122,846	3,862	3.2%
29		IV	5	0.40	32,195	V	6	0.40	33,119	924	2.9%
30		IV	3	1.00	75,868	IV	4	1.00	78,179	2,311	3.0%
31		VI	15	0.80	89,224	VI	16	0.80	89,224	-	0.0%
32		VI	5	1.20	102,860	VI	6	1.20	106,494	3,634	3.5%
33		VI	14	1.00	111,530	VI	15	1.00	111,530	-	0.0%
34		VI	15	1.00	111,530	VI	16	1.00	111,530	-	0.0%
35		VI	14	1.00	111,530	VI	15	1.20	115,258	3,728	3.3%
36		VI	16	1.00	111,530	VI	17	1.00	117,258	5,728	5.1%
37		VI	14	1.00	111,530	VI	15	1.00	111,530	-	0.0%
38		IV	11	1.00	105,182	IV	12	1.00	108,499	3,317	3.2%
39		VI	13	1.00	111,530	VI	14	1.00	111,530	-	0.0%
40		VI	12	0.60	65,099	VI	13	0.60	66,918	1,819	2.8%
41		V	6	1.00	86,334	V	7	1.00	89,003	2,669	3.1%
42		VI	18	0.80	92,206	VI	19	0.80	92,206	(0)	0.0%
43		VI	31	1.00	126,297	VI	32	1.00	126,297	-	0.0%
44		VI	34	1.00	126,297	VI	35	1.00	126,297	-	0.0%
45		VI	26	1.00	122,846	VI	27	1.00	126,297	3,451	2.8%
46		VI	31	1.00	126,297	VI	32	1.00	126,297	-	0.0%
47		VI	8	1.00	94,805	VI	9	1.00	97,833	3,028	3.2%
48		VI	22	1.00	118,984	VI	23	1.00	118,984	-	0.0%

Employee	2019-20				2020-21				Increase	%
	C	S	FTE	Salary	C	S	FTE	Salary		
49	VI	11	1.00	105,182	VI	12	1.00	108,499	3,317	3.2%
50	VI	35	1.00	126,297	VI	36	1.00	126,297	-	0.0%
51	VI	14	1.00	111,530	VI	15	1.00	111,530	-	0.0%
52	VI	11	1.00	105,182	VI	12	1.00	108,499	3,317	3.2%
53	V	11	1.00	101,258	V	12	1.00	103,930	2,672	2.6%
54	VI	15	1.00	111,530	VI	16	1.00	111,530	-	0.0%
55	VI	15	1.00	111,530	VI	16	1.00	111,530	-	0.0%
56	VI	12	1.00	108,499	VI	13	1.00	111,530	3,031	2.8%
57	VI	20	1.00	115,258	VI	21	1.00	115,258	-	0.0%
58	V	18	1.00	110,269	V	19	1.00	110,269	-	0.0%
59	VI	26	1.00	122,846	VI	27	1.00	126,297	3,451	2.8%
60	III	16	1.00	135,001	III	17	1.00	135,001	-	0.0%
61	VI	15	1.00	111,530	VI	16	1.00	113,530	2,000	1.8%
62	V	14	1.00	106,716	V	15	1.00	106,716	-	0.0%
63	VI	7	1.00	91,775	VI	8	1.00	94,805	3,030	3.3%
64	VI	13	1.00	111,530	VI	14	1.00	111,530	-	0.0%
65	VI	14	1.00	111,530	VI	15	1.00	111,530	-	0.0%
66	VI	8	0.60	56,883	VI	9	0.60	58,700	1,817	3.2%
67	VI	25	1.00	122,846	VI	26	1.00	122,846	-	0.0%
68	VI	11	1.00	105,182	VI	12	1.00	108,499	3,317	3.2%
69	VI	28	1.00	126,297	VI	29	1.00	126,297	-	0.0%
70	VI	34	0.70	88,408	VI	35	0.70	88,408	-	0.0%
71	VI	12	1.00	108,499	VI	13	1.00	111,530	3,031	2.8%
72	VI	31	1.20	151,556	VI	32	1.20	151,556	-	0.0%
73	IV	7	1.20	106,804	V	8	1.20	110,009	3,205	3.0%
74	VI	14	1.00	111,530	VI	15	1.00	111,530	-	0.0%
75	VI	22	1.00	118,984	VI	23	1.00	118,984	-	0.0%
76	V	16	1.00	106,716	V	17	1.00	110,269	3,553	3.3%
77	VI	9	1.00	97,833	VI	10	1.00	102,114	4,281	4.4%
78	V	10	1.00	98,258	V	11	1.00	101,258	3,000	3.1%
79	IV	11	0.60	57,555	IV	12	0.60	57,555	-	0.0%
80	VI	16	1.00	111,530	VI	17	1.00	115,258	3,728	3.3%
81	VI	16	0.50	55,765	VI	17	0.50	57,629	1,864	3.3%
82	VI	31	1.00	126,297	VI	32	1.00	126,297	-	0.0%
83	VI	7	1.00	91,775	VI	8	1.00	94,805	3,030	3.3%
84	IV	6	1.00	86,897	IV	7	1.00	91,775	4,878	5.6%
85	VI	12	0.50	54,250	VI	13	0.50	55,765	1,516	2.8%
86	IV	21	1.00	110,269	V	22	1.00	110,269	-	0.0%
87	IV	6	1.00	82,797	IV	7	1.00	85,109	2,312	2.8%
88	VI	12	1.00	108,499	VI	13	1.00	111,530	3,031	2.8%
89	VI	7	1.00	91,775	VI	8	1.00	94,805	3,030	3.3%
90	VI	14	1.00	111,530	VI	15	1.00	111,530	-	0.0%
91	VI	11	0.60	63,109	VI	12	0.60	65,099	1,990	3.2%
92	VI	13	1.00	111,530	VI	14	1.00	111,530	0	0.0%
93	VI	19	1.00	115,258	VI	20	1.00	115,258	-	0.0%
94	VI	18	1.00	115,258	VI	19	1.00	115,258	-	0.0%
95	IV	12	1.00	95,925	IV	13	1.00	95,925	-	0.0%
96	VI	6	1.00	88,745	VI	7	1.00	91,775	3,030	3.4%
97	IV	4	1.00	76,455	IV	5	1.00	80,488	4,034	5.3%
98	IV	18	1.00	95,925	IV	19	1.00	95,925	-	0.0%
99	VI	6	1.00	88,745	VI	7	1.00	91,775	3,030	3.4%
100	V	22	1.00	110,269	V	23	1.00	110,269	-	0.0%

Employee	2019-20				2020-21				INFORMATION/DISCUSSION B	
	C	S	FTE	Salary	C	S	FTE	Salary	Increase	%
101	VI	26	1.00	122,846	VI	27	1.00	126,297	3,451	2.8%
102	V	13	1.00	106,716	V	13	1.00	106,716	-	0.0%
103	VI	16	1.00	111,530	VI	17	1.00	115,258	3,728	3.3%
104	V	6	1.00	86,334	V	7	1.00	89,003	2,669	3.1%
105	VI	5	1.00	88,745	VI	7	1.00	91,775	3,030	3.4%
106	VI	14	1.00	111,530	VI	15	1.00	111,530	-	0.0%
107	IV	11	1.00	95,925	IV	12	1.00	95,925	-	0.0%
108	VI	27	1.00	126,297	VI	28	1.00	126,297	-	0.0%
109	III	10	1.00	87,457	III	11	1.00	87,457	-	0.0%
110	V	7	1.00	89,003	V	8	1.00	91,674	2,671	3.0%
111	VI	8	1.20	94,805	VI	9	1.20	97,833	3,028	3.2%
112	IV	8	0.60	52,451	IV	9	0.60	53,837	1,386	2.6%
113	VI	13	1.00	111,530	VI	14	1.00	111,530	-	0.0%
114	V	18	1.00	110,269	V	19	1.00	110,269	-	0.0%
115	VI	19	1.00	115,258	VI	20	1.00	115,258	-	0.0%
116	VI	15	1.00	111,530	VI	16	1.00	111,530	-	0.0%
117	IV	15	1.00	95,925	IV	16	1.00	95,925	-	0.0%
118	VI	21	1.00	115,258	VI	22	1.00	118,984	3,726	3.2%
119	VI	14	0.60	66,918	VI	15	1.00	66,918	-	0.0%
120	VI	23	1.00	118,984	VI	24	1.00	118,984	-	0.0%
121	V	3	1.00	78,325	V	4	1.00	80,994	2,669	3.4%
122	VI	14	1.00	111,530	VI	15	1.00	111,530	-	0.0%
123	V	11	1.00	105,182	VI	12	1.00	108,449	3,267	3.1%
124	V	10	1.00	98,258	V	11	1.00	101,258	3,000	3.1%
125	V	11	0.80	81,006	V	12	0.80	83,144	2,138	2.6%
126	VI	15	0.80	89,224	VI	16	0.80	89,224	-	0.0%
127	VI	11	0.20	21,036	VI	12	0.20	21,700	664	3.2%
128	V	6	1.00	86,334	V	7	1.00	89,003	2,669	3.1%
129	VI	14	1.00	111,530	VI	15	1.00	111,530	-	0.0%
130	VI	36	1.00	126,297	VI	37	1.00	126,297	-	0.0%
131	VI	16	1.00	111,530	VI	17	1.00	115,258	3,728	3.3%
132	VI	30	1.00	126,297	VI	31	1.00	126,297	-	0.0%
133	III	17	1.00	135,001	III	17	1.00	137,001	2,000	1.5%
A	Step Changes (actual)			127.50	13,401,161		128.50	13,608,563	207,401	1.55%
B	Column Changes (est)			2	3,800				7,600	0.06%
Total Step and Column Costs - Gross									215,001	1.60%

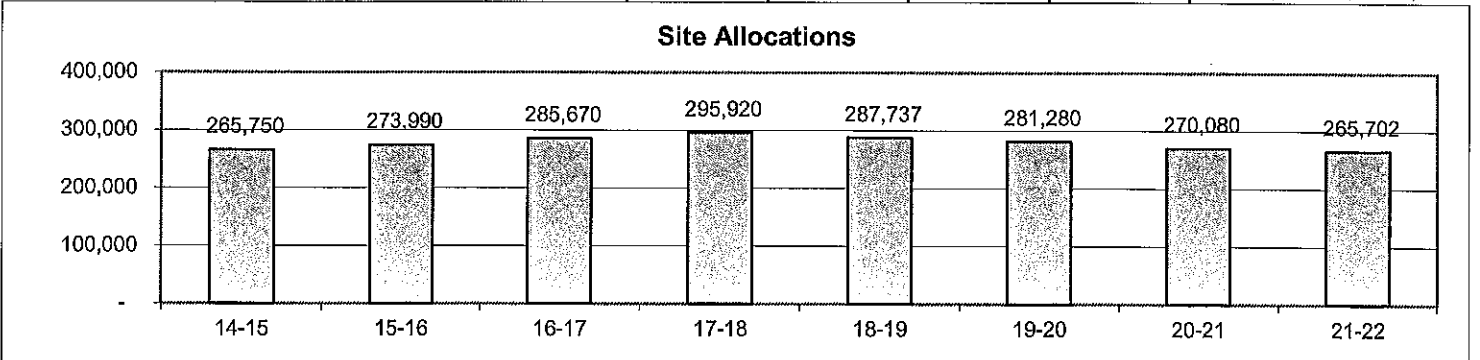
C	Retiree	Replacement	Retiree			Replacement			Savings					
	Name	Name	Col	Step	FTE	Salary	Col	Step		FTE	Salary			
1														
2														
3														
4														
5														
Total Retiree Savings									5.00	566,818	5.00	421,469	24,349	0.18%
Total Step and Column Costs - Net													190,652	1.42%



Pacific Grove Unified School District

Site Allocations

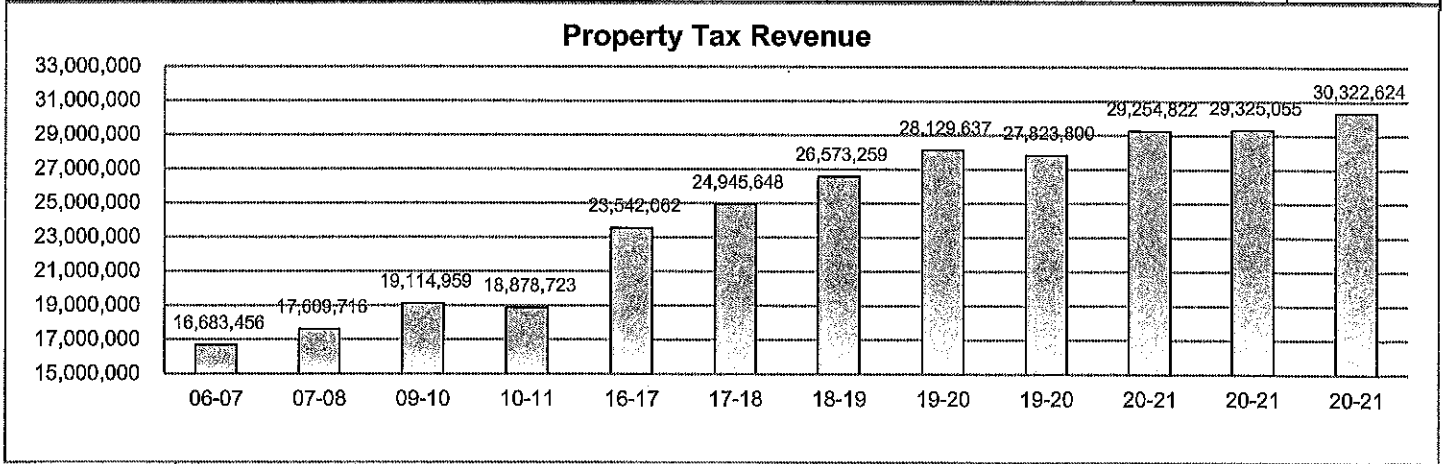
	2014-15 actual	2015-16 actual	2016-17 actual	2017-18 actual	2018-19 actual	2019-20 actual	2020-21 actual	2021-22 budget
Forest Grove								
Enrollment (97% of estimate)	411	428	458	449	448	437	423	415
Allocation per Student	\$ 130.00	\$ 130.00	\$ 135.00	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00
Initial Allocation	\$ 53,380	\$ 55,575	\$ 61,830	\$ 62,875	\$ 62,740	\$ 61,180	\$ 59,220	\$ 58,122
Enrollment (actual CBEDS)	460	470	472	463	448	422	393	415
Final Allocation	\$ 59,800	\$ 61,100	\$ 63,720	\$ 64,820	\$ 62,740	\$ 59,080	\$ 55,020	\$ 58,122
Increase (Decrease)	\$ 6,420	\$ 5,525	\$ 1,890	\$ 1,945	\$ -	\$ (2,100)	\$ (4,200)	\$ -
Robert Down								
Enrollment (97% of estimate)	437	447	458	474	458	462	451	427
Allocation per Student	\$ 130.00	\$ 130.00	\$ 135.00	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00
Initial Allocation	\$ 56,830	\$ 58,045	\$ 61,830	\$ 66,406	\$ 64,098	\$ 64,680	\$ 63,140	\$ 59,752
Enrollment (actual CBEDS)	468	472	490	489	458	472	443	427
Final Allocation	\$ 60,840	\$ 61,360	\$ 66,150	\$ 68,460	\$ 64,098	\$ 66,080	\$ 62,020	\$ 59,752
Increase (Decrease)	\$ 4,011	\$ 3,315	\$ 4,320	\$ 2,054	\$ -	\$ 1,400	\$ (1,120)	\$ -
Middle School								
Enrollment (97% of estimate)	452	454	496	485	461	440	459	400
Allocation per Student	\$ 130.00	\$ 130.00	\$ 135.00	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00
Initial Allocation	\$ 58,788	\$ 59,033	\$ 66,960	\$ 67,900	\$ 64,540	\$ 61,600	\$ 64,260	\$ 55,950
Enrollment (actual CBEDS)	472	512	495	500	461	451	464	400
Final Allocation	\$ 61,360	\$ 66,560	\$ 66,825	\$ 70,000	\$ 64,540	\$ 63,140	\$ 64,960	\$ 55,950
Increase (Decrease)	\$ 2,572	\$ 7,527	\$ (135)	\$ 2,100	\$ -	\$ 1,540	\$ 700	\$ -
High School								
Enrollment (97% of estimate)	527	561	591	599	647	633	615	609
Allocation per Student	\$ 130.00	\$ 130.00	\$ 135.00	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00
Initial Allocation	\$ 68,558	\$ 72,865	\$ 79,785	\$ 83,924	\$ 90,579	\$ 88,620	\$ 86,100	\$ 85,282
Enrollment (actual CBEDS)	596	613	602	618	647	618	583	609
Final Allocation	\$ 77,480	\$ 79,690	\$ 81,270	\$ 86,520	\$ 90,579	\$ 86,520	\$ 81,620	\$ 85,282
Increase (Decrease)	\$ 8,922	\$ 6,825	\$ 1,485	\$ 2,596	\$ -	\$ (2,100)	\$ (4,480)	\$ -
Community High School								
Enrollment (97% of estimate)	23	18	14	17	17	19	20	19
Allocation per Student	\$ 330.00	\$ 330.00	\$ 335.00	\$ 340.00	\$ 340.00	\$ 340.00	\$ 340.00	\$ 340.00
Initial Allocation	\$ 7,590	\$ 5,957	\$ 4,690	\$ 5,936	\$ 5,780	\$ 6,460	\$ 6,800	\$ 6,596
Enrollment (actual CBEDS)	19	16	23	18	17	19	19	19
Final Allocation	\$ 6,270	\$ 5,280	\$ 7,705	\$ 6,120	\$ 5,780	\$ 6,460	\$ 6,460	\$ 6,596
Increase (Decrease)	\$ (1,320)	\$ (677)	\$ 3,015	\$ 184	\$ -	\$ -	\$ (340)	\$ -
Total Final Allocations	\$ 265,750	\$ 273,990	\$ 285,670	\$ 295,920	\$ 287,737	\$ 281,280	\$ 270,080	\$ 265,702



Allocations are adjusted at CBEDS. Starting 12-13, Health Permits & Copier Leases are excluded. SIP and Site Allocations are combined.

Property Tax Revenue

	5.90%	5.96%	6.52%	5.86%	3.88%	4.00%	5.14%	3.65%
	2016-17	2017-18	2018-19	2019-20	2019-20	2020-21	2020-21	2021-22
	actual	actual	actual	Revised	actual	Revised Bdgt	Est/actuals	Estimate
July	-	-	-	-	-	-	-	-
Year-to-Date	-	-	-	-	-	-	-	-
August	-	-	-	-	-	-	-	-
Year-to-Date	-	-	-	-	-	-	-	-
September	49,319	56,920	81,929	91,507	91,507	95,167	109,662	98,641
Year-to-Date	49,319	56,920	81,929	91,507	91,507	95,167	109,662	98,641
October	792,168	818,005	-	-	-	-	-	-
Year-to-Date	841,486	874,925	81,929	-	-	95,167	109,662	98,641
November	42,682	46,407	943,522	1,012,590	1,012,590	1,053,094	1,025,732	1,091,532
Year-to-Date	884,168	921,332	1,025,451	1,104,097	1,104,097	1,148,261	1,135,394	1,190,172
December	12,688,993	13,648,659	13,591,740	14,627,231	14,644,626	15,212,320	15,891,982	15,767,570
Year-to-Date	13,573,161	14,569,991	14,617,191	15,731,328	15,748,723	16,360,581	17,027,376	16,957,742
percent change	8.35%	7.34%	0.32%	2.74%	7.74%	3.89%	4.08%	3.65%
January	307,376	755,156	880,650	645,269	645,269	671,080	280,379	695,575
Year-to-Date	13,880,538	15,325,147	15,497,841	16,376,597	16,393,992	17,031,661	17,307,755	17,653,317
percent change	6.32%	10.41%	1.13%	0.94%	5.78%	3.89%	1.62%	3.65%
February	601,451	1,459,505	719,652	726,703	726,703	755,771	764,055	783,356
Year-to-Date	14,481,989	16,784,652	16,217,492	17,103,300	17,120,695	17,787,432	18,071,810	18,436,673
percent change	6.40%	15.90%	-3.38%	-4.91%	5.57%	3.89%	1.60%	3.65%
March	502,464	5,135	560,829	611,291	635,096	635,743	667,740	658,947
Year-to-Date	14,984,452	16,789,787	16,778,321	17,714,591	17,755,791	18,423,175	18,739,550	19,095,621
percent change	6.05%	12.05%	-0.07%	-1.55%	5.83%	3.76%	1.72%	3.65%
April	8,041,076	7,665,157	9,268,101	9,840,806	9,353,536	10,234,438	9,834,307	10,607,995
Year-to-Date	23,025,529	24,454,944	26,046,422	27,555,397	27,109,326	28,657,613	28,573,857	29,703,616
percent change	5.80%	6.21%	6.51%	1.11%	4.08%	5.71%	-0.29%	3.65%
May	83,677	72,178	102,453	111,672	62,709	116,139	65,932	120,378
Year-to-Date	23,109,205	24,527,122	26,148,876	27,667,069	27,172,035	28,773,752	28,639,789	29,823,994
percent change	5.91%	6.14%	6.61%	1.19%	3.91%	5.89%	-0.47%	3.65%
June	432,856	418,526	424,383	462,568	651,765	481,071	685,266	498,630
Year-to-Date	23,542,062	24,945,648	26,573,259	28,129,637	27,823,800	29,254,822	29,325,055	30,322,624
percent change	5.90%	5.96%	6.52%	1.02%	4.71%	5.14%	0.24%	3.65%
Total	23,542,062	24,945,648	26,573,259	28,129,637	27,823,800	29,254,822	29,325,055	30,322,624
Inc (Dec)	1,310,658	1,403,586	1,627,611	1,546,050	1,250,541	1,431,022	70,233	1,067,801
percent change	5.90%	5.96%	6.52%	5.55%	4.71%	5.14%	0.24%	3.65%



- | | |
|---|--|
| <input type="checkbox"/> Student Learning and Achievement | <input type="checkbox"/> Consent |
| <input type="checkbox"/> Health and Safety of Students and Schools | <input type="checkbox"/> Action/Discussion |
| <input type="checkbox"/> Credibility and Communication | <input checked="" type="checkbox"/> Information/Discussion |
| <input checked="" type="checkbox"/> Fiscal Solvency, Accountability and Integrity | <input type="checkbox"/> Public Hearing |

SUBJECT: Review and Discuss Current Elementary and Secondary Class Sizes

DATE: March 18, 2021

PERSON(S) RESPONSIBLE: Song Chin-Bendib, Assistant Superintendent for Business Services
Billie Mankey, Director II Human Resources

RECOMMENDATION:

The District Administration recommends that the Board review and discuss current elementary and secondary class sizes.

BACKGROUND:

In general, 85% to 90% of a school district budget is comprised of salaries and benefits for the employees and the retirees of the school district. It takes people to teach people, and it's natural that the largest expenditure in a school district budget is personnel and benefits.

Employee salaries are divided into three separate line items – certificated non-management employees, classified non-management employees, and management employees.

Classroom sizes have a direct and indirect impact on certificated non-management employees which include teachers, nurses, librarians, psychologists, and others who provide services that require credentials from the state of California.

INFORMATION:

The Board of Trustees requested staff to provide an analysis of the current classroom sizes. Staff had prepared the elementary and secondary class sizes for the October 2020 California Basic Educational Data System (CBEDs) and January 21, 2021, a random date in January.

The analysis is attached for Forest Grove, Robert Down, PG Middle School and PG High School.

FISCAL IMPACT:

Staffing is included in the current budget.

PACIFIC GROVE UNIFIED SCHOOL DISTRICT
Class Sizes by Grade Levels

Forest Grove

Robert Down

	2020-21 CBEDs - Oct 7		2020-21 21-Jan			2020-21 CBEDs - Oct 7		2020-21 21-Jan	
TK	17	17	17	17		N/A		N/A	
K	20		20			21		20	
	19		19			21		20	
	18		19			20		19	
		57		58			62		59
1st Grade	21		22			22		23	
	20		20			24		24	
	23	64	21	63		23	69	23	70
2nd Grade	21		20			23		24	
	20		19			21		19	
	19	60	18	57		23		23	
						20	87	19	85
3rd Grade	19		18			24		24	
	21		21			24		24	
	19	59	20	59		24	72	23	71
4th Grade	17		17			20		21	
	18		18			21		22	
	19		19			21		20	
	21	75	21	75		16	78	16	79
5th Grade	20		20			21		20	
	19		19			25		23	
	20	59	19	58		21	67	20	63
TOTAL	391		387			435		427	
SDC Mod/Severe	22		22			8		8	

2020-2021 Pacific Grove Middle School Enrollment				
Period	Course	10/2/2020 Class Enrollment	1/29/2020 Class Enrollment	Max Cap.
Period 7	Math Support 6 (103)	12	13	32
	Total	12	13	
Period 7	Math Support 8 (212)	9	8	15
	Total	9	8	
Period 2	Math Support 7 (213)	12	12	15
	Total	12	12	
Period 4	CORE English 6 (M105)	24	23	32
Period 6	CORE English 6 (M105)	22	21	32
Period 4	CORE English 6 (M105)	23	22	32
Period 4	CORE English 6 (M105)	24	23	32
Period 2	CORE English 6 (M105)	25	22	32
Period 2	CORE English 6 (M105)	23	22	32
	Total	141	133	
Period 7	English 7 (M107)	20	18	32
Period 2	English 7 (M107)	23	24	32
Period 4	English 7 (M107)	17	16	32
Period 5	English 7 (M107)	27	25	32
Period 6	English 7 (M107)	22	23	32
Period 4	English 7 (M107)	17	16	32
	Total	126	122	
Period 6	English 8 (M108)	22	22	32
Period 4	English 8 (M108)	27	27	32
Period 3	English 8 (M108)	25	23	32
Period 3	English 8 (M108)	25	24	32
Period 2	English 8 (M108)	25	24	32
Period 2	English 8 (M108)	26	25	32

Period 7	English 8 (M108)	27	27	32
	Total	177	172	
Period 5	Transition English (M122)	9	13	15
	Total	9	13	
Period 3	Applied ELA (M130)	2	2	15
	Total	2	2	
Period 4	ELA 6-8 (M131)	6	5	15
	Total	6	5	
Period 6	Learning Center 6 (M146)	11	12	15
	Total	11	12	
Period 4	Learning Center 7 (M147)	12	13	15
	Total	12	13	
Period 6	Learning Center 8 (M148)	10	11	16
	Total	10	11	
Period 3	Read 180 (M180)	6	9	15
	Total	6	9	
Period 4	Math 180A (M183)	4	4	15
	Total	4	4	
Period 5	Math 180B (M184)	7	7	15
	Total	7	7	
Period 3	Basic ELA (M185)	8	8	15
	Total	8	8	
Period 2	Social Skills Dev. (M187)	2	2	15
	Total	2	2	
Period 7	CORE History 6 (M205)	22	21	32
Period 5	CORE History 6 (M205)	24	23	32
Period 5	CORE History 6 (M205)	24	23	32
Period 5	CORE History 6 (M205)	23	22	32
Period 3	CORE History 6 (M205)	25	22	32
Period 3	CORE History 6 (M205)	23	22	32

	Total	141	133	
Period 7	History 7 (M207)	25	26	32
Period 3	History 7 (M207)	23	22	32
Period 2	History 7 (M207)	27	22	32
Period 6	History 7 (M207)	28	27	32
Period 5	History 7 (M207)	27	25	32
	Total	130	122	
Period 5	History 8 (M208)	27	27	32
Period 6	History 8 (M208)	26	26	32
Period 7	History 8 (M208)	25	21	32
Period 2	History 8 (M208)	24	24	32
Period 3	History 8 (M208)	24	25	32
Period 4	History 8 (M208)	24	23	32
Period 4	History 8 (M208)	24	23	32
	Total	174	169	
Period 4	Learning Center 6-8 (M301)	8	10	15
	Total	8	10	
Period 7 (HS)	Integrated Math 2 (at HS) (M30)	1	2	32
	Total	1	2	
Period 3	Math 6 (M306)	26	27	32
Period 6	Math 6 (M306)	16	16	32
Period 5	Math 6 (M306)	27	27	32
Period 4	Math 6 (M306)	22	23	32
	Total	91	93	
Period 2	Math 7 (M307)	24	24	32
Period 7	Math 7 (M307)	17	17	30
Period 6	Math 7 (M307)	24	23	32
Period 5	Math 7 (M307)	26	24	32
	Total	91	88	
Period 2	Math 8 (M308)	26	25	32

Period 6	Math 8 (M308)	27	25	32
Period 3	Math 8 (M308)	27	27	30
Period 5	Math 8 (M308)	24	23	32
	Total	104	100	
Advisory (Monday onl	Advisory - Grade 6 (M316-A)	20	19	32
Advisory (Monday onl	Advisory - Grade 6 (M316-A)	19	16	32
Advisory (Monday onl	Advisory - Grade 6 (M316-A)	18	18	32
Advisory (Monday onl	Advisory - Grade 6 (M316-A)	19	20	32
Advisory (Monday onl	Advisory - Grade 6 (M316-A)	19	18	32
Advisory (Monday onl	Advisory - Grade 6 (M316-A)	18	16	32
Advisory (Monday onl	Advisory - Grade 6 (M316-A)	19	18	32
Advisory (Monday onl	Advisory - Grade 6 (M316-A)	18	19	32
	Total	150	144	
Period 4	Accel Math 7 (M317)	20	21	32
Period 7	Accel Math 7 (M317)	17	16	32
	Total	37	37	
Advisory (Monday onl	Advisory - Grade 7 (M317-A)	19	19	32
Advisory (Monday onl	Advisory - Grade 7 (M317-A)	20	20	32
Advisory (Monday onl	Advisory - Grade 7 (M317-A)	19	19	32
Advisory (Monday onl	Advisory - Grade 7 (M317-A)	19	19	32
Advisory (Monday onl	Advisory - Grade 7 (M317-A)	18	18	32
Advisory (Monday onl	Advisory - Grade 7 (M317-A)	19	17	32
Advisory (Monday onl	Advisory - Grade 7 (M317-A)	19	18	32
	Total	133	130	
Period 3	Integrated Math I (M318)	25	25	32
Period 6	Integrated Math I (M318)	22	22	32
Period 7	Integrated Math I (M318)	24	23	32
	Total	71	70	
Advisory (Monday onl	Advisory - Grade 8 (M318-A)	18	18	32
Advisory (Monday onl	Advisory - Grade 8 (M318-A)	18	18	32

Advisory (Monday onl	Advisory - Grade 8 (M318-A)	18	18	32
Advisory (Monday onl	Advisory - Grade 8 (M318-A)	19	19	32
Advisory (Monday onl	Advisory - Grade 8 (M318-A)	18	18	32
Advisory (Monday onl	Advisory - Grade 8 (M318-A)	19	17	32
Advisory (Monday onl	Advisory - Grade 8 (M318-A)	17	16	32
Advisory (Monday onl	Advisory - Grade 8 (M318-A)	19	18	32
Advisory (Monday onl	Advisory - Grade 8 (M318-A)	16	15	32
Advisory (Monday onl	Advisory - Grade 8 (M318-A)	19	19	32
	Total	181	176	
Period 3	Accel Math 6 (M320)	28	23	32
Period 2	Accel Math 6 (M320)	27	25	30
	Total	55	48	
Period 4	Applied Math (M328)	2	2	15
	Total	2	2	
Period 7	Science 6 (M406)	26	24	32
Period 7	Science 6 (M406)	25	25	32
Period 5	Science 6 (M406)	23	21	32
Period 2	Science 6 (M406)	26	24	32
Period 2	Science 6 (M406)	24	26	32
Period 3	Science 6 (M406)	23	23	32
	Total	147	143	
Period 3	Science 7 (M407)	26	27	32
Period 4	Science 7 (M407)	24	21	32
Period 5	Science 7 (M407)	27	28	32
Period 3	Science 7 (M407)	26	25	32
Period 6	Science 7 (M407)	28	27	32
	Total	131	128	
Period 7	Science 8 (M408)	26	26	32
Period 4	Science 8 (M408)	24	24	32
Period 4	Science 8 (M408)	22	21	32

Period 5	Science 8 (M408)	26	26	32
Period 6	Science 8 (M408)	26	23	32
Period 2	Science 8 (M408)	27	27	32
Period 5	Science 8 (M408)	26	25	32
	Total	177	172	
Period 4	P.E. 6/7 (M567)	47	43	50
Period 3	P.E. 6/7 (M567)	31	29	50
Period 6	P.E. 6/7 (M567)	30	32	50
Period 2	P.E. 6/7 (M567)	47	47	50
Period 7	P.E. 6/7 (M567)	50	47	50
	Total	205	198	
Period 5	P.E. 7/8 (M578)	46	46	50
Period 2	P.E. 7/8 (M578)	45	43	50
Period 3	P.E. 7/8 (M578)	40	39	50
Period 6	P.E. 7/8 (M578)	35	35	50
Period 7	P.E. 7/8 (M578)	47	46	50
	Total	213	209	
Period 1	P.E. 7/8 (P1) (M579)	45	43	57
	Total	45	43	
Period 6	Keyboarding 6 (M602)	22	0	32
Period 6	Keyboarding 6 (M602)	0	20	32
	Total	22	20	
Period 6	Art 6 (M607)	22	0	32
Period 6	Art 6 (M607)	0	21	32
	Total	22	21	
Period 6	Home Economics 6 (M610)	22	0	32
Period 6	Home Economics 6 (M610)	0	20	32

	Total	22	20	
Period 7	STEAM (M614)	20	24	32
	Total	20	24	
Period 6	STEM 6 (M618)	22	0	32
Period 6	STEM 6 (M618)	0	21	32
	Total	22	21	
Period 4	Art (M701)	26	23	32
Period 3	Art (M701)	26	24	32
	Total	52	47	
Period 3	Home Economics (M702)	24	24	32
Period 7	Home Economics (M702)	21	19	32
	Total	45	43	
Period 7	Leadership (M706)	24	24	32
	Total	24	24	
Period 4	Computer Video Bulletin (M711)	25	28	32
	Total	25	28	
Period 1	Chorus (M7130)	56	51	60
	Total	56	51	
Period 6	ELD (M720)	6	4	32
	Total	6	4	
Period 2	Social Skills (M724)	8	12	15
	Total	8	12	
Period 8B	Jazz Ensemble (M734)	18	16	40
	Total	18	16	
Period 8A	Jazz Combo (M735)	0	0	32
	Total	0	0	
Period 5	Concert Band (M740)	40	36	50
	Total	40	36	
Period 4	Symphonic Band (M741)	42	40	50

	Total	42	40	
Period 6	Chamber Orchestra (M742)	20	19	40
	Total	20	19	
Period 7	String Orchestra (M7470)	21	20	50
	Total	21	20	
Period 1	AVID 7 (M777)	20	19	32
	Total	20	19	
Period 2	AVID 8 (M788)	23	21	32
	Total	23	21	
Period 5	Foods (M855)	28	27	32
	Total	28	27	
Period 5	Applied Social Science (M880)	2	2	15
	Total	2	2	
Period 7	Life Skills (M904)	5	5	15
	Total	5	5	

2020-21 Pacific Grove High School Enrollment by Section 10/2/2020 & 1/29/2021

Period	Course Title	Student Numbers	Student Numbers	Class Capacity
Period 2	English 1 (100)	22	22	32
Period 3	English 1 (100)	24	23	32
Period 7	English 1 (100)	23	22	32
Period 5	English 1 (100)	25	24	32
	Total	94	91	
Period 5	English 2 (110)	21	21	32
Period 2	English 2 (110)	24	22	32
Period 3	English 2 (110)	23	24	32
Period 6	English 2 (110)	25	26	32
	Total	93	93	
Period 6	English 3 (120)	20	22	32
Period 7	English 3 (120)	20	14	32
Period 5	English 3 (120)	22	19	32
Period 3	English 3 (120)	22	22	32
Period 2	English 3 (120)	21	21	32
	Total	85	77	
Period 4	English 4 (130)	23	23	32
Period 2	English 4 (130)	19	19	32
	Total	42	42	
Period 2	AP English Language (137)	20	18	32
	Total	20	18	
Period 4	(H) English 1 (140)	19	19	32
Period 6	(H) English 1 (140)	23	23	32
	Total	42	42	
Period 3	Eng 4 Expos. Reading & Writ. (142)	26	25	32
Period 5	Eng 4 Expos. Reading & Writ. (142)	24	24	32

Total		50	49	
Period 4	(H) English 2 (145)	30	28	32
Period 2	(H) English 2 (145)	30	30	32
Total		60	58	
Period 2	(H) English 3 (150)	22	22	32
Period 6	(H) English 3 (150)	23	22	32
Total		45	44	
Period 3	AP English Lit. (155)	32	31	32
Total		32	31	
Period 6	World History (200)	22	20	32
Period 7	World History (200)	27	26	32
Period 4	World History (200)	16	16	32
Period 3	World History (200)	24	22	32
Period 5	World History (200)	22	20	32
Period 2	World History (200)	17	20	32
Total		128	124	
Period 2	World Geography (205)	23	25	32
Period 7	World Geography (205)	21	20	32
Period 3	World Geography (205)	21	23	32
Period 4	World Geography (205)	24	22	32
Period 1 -	World Geography (205)	18	19	32
Total		107	109	
Period 1 -	U.S. History (210)	23	21	32
Period 7	U.S. History (210)	19	19	32
Period 2	U.S. History (210)	21	19	32
Period 5	U.S. History (210)	16	15	32
Period 4	U.S. History (210)	23	24	32
Period 3	U.S. History (210)	18	14	32

	Total	120	112	
Period 4	AP Govt. (214)	28		32
Period 5	AP Govt. (214)	29		32
	Total	57		
Period 3	Govt/Civics (215)	27		32
Period 2	Govt/Civics (215)	16		32
Period 5	Govt/Civics (215)	26		32
	Total	69		
Period 6	AP World History (227)	32	31	32
	Total	32	31	
Period 4	AP U.S. History (230)	29	25	32
	Total	29	25	
Period 3	Economics (216)		26	32
Period 2	Economics (216)		18	32
Period 4	Economics (216)		28	32
Period 5	Economics (216)		28	32
Period 5	Economics (216)		26	32
	Total		126	
Period 4	Psychology (236)	27	23	32
Period 6	Psychology (236)	29	26	32
	Total	56	49	
Period 3	AP Human Geography (238)	26	26	32
	Total	26	26	
Period 1 -	Math Support (303)		5	32
Period 1 - Q4	Math Support (303)	10	4	32
	Total	10	9	
Period 6	Integrated Math 1 (307)	27	26	32

Period 4	Integrated Math 1 (307)	27	24	32
Period 5	Integrated Math 1 (307)	27	28	32
Period 2	Integrated Math 1 (307)	29	25	32
	Total	110	103	
Period 6	Integrated Math 2 (308)	25	24	32
Period 3	Integrated Math 2 (308)	21	25	32
Period 1 -	Integrated Math 2 (308)	20	15	32
Period 5	Integrated Math 2 (308)	24	25	32
Period 2	Integrated Math 2 (308)	25	24	28
	Total	115	113	
Period 5	Integrated Math 3 (309)	31	30	32
Period 2	Integrated Math 3 (309)	29	26	32
Period 3	Integrated Math 3 (309)	31	29	32
	Total	91	85	
Period 3	(H) Integrated Math 3 (314)	25	24	32
Period 4	(H) Integrated Math 3 (314)	19	17	32
	Total	44	41	
Period 6	Pre Calculus (315)	19	19	32
Period 4	Pre Calculus (315)	16	17	32
	Total	35	36	
Period 7	(H) Integrated Math 2 (317)	18	14	32
Period 2	(H) Integrated Math 2 (317)	18	17	32
	Total	36	31	
Period 2	Probability & Statistics (319)	18	17	32
	Total	18	17	
Period 7	AP Calculus A/B (320)	20	19	32
Period 4	AP Calculus A/B (320)	23	21	32

	Total	43	40	
Period 5	AP Statistics (321)	15	13	32
	Total	15	13	
Period 7	AP Calculus B/C (322)	9	9	32
	Total	9	9	
Period 2	Anatomy/Physiology (350)	27	24	32
Period 4	Anatomy/Physiology (350)	27	24	32
	Total	54	48	
Period 5	Biology (355)	28	27	25
Period 3	Biology (355)	23	23	25
Period 7	Biology (355)	26	27	25
Period 4	Biology (355)	27	26	25
Period 6	Biology (355)	25	22	25
	Total	129	125	
Period 2	AP Envi. Sci. (358)	31	31	32
	Total	31	31	
Period 7	Chemistry (360)	28	26	32
Period 3	Chemistry (360)	28	26	32
	Total	56	52	
Period 5	(H) Chemistry 1 (361)	27	25	32
	Total	27	25	
Period 7	Earth & Space Systems (365)	22	20	25
Period 6	Earth & Space Systems (365)	20	20	25
Period 2	Earth & Space Systems (365)	17	18	25
Period 3	Earth & Space Systems (365)	19	19	25
	Total	78	77	
Period 7	Physics (370)	25	28	32
Period 2	Physics (370)	21	18	32

Period 5	Physics (370)	23	21	32
Period 6	Physics (370)	24	24	32
	Total	93	91	
Period 3	AP Computer Science A (374)	16	12	32
	Total	16	12	
Period 4	Fundamentals of Success (398)	20	23	32
	Total	20	23	
Period 3	P.E. Core 9 (402)	34	30	47
Period 6	P.E. Core 9 (402)	30	29	47
Period 2	P.E. Core 9 (402)	28	28	47
Period 7	P.E. Core 9 (402)	45	47	47
	Total	137	134	47
Period 1 -	P.E. Core 10-12 (406)	43	41	47
Period 7	P.E. Core 10-12 (406)	38	44	47
Period 4	P.E. Core 10-12 (406)	41	36	47
	Total	122	121	
Period 3	P.E. Strength Training 1 (410)	19	18	42
Period 5	P.E. Strength Training 1 (410)	17	20	42
	Total	36	38	
Period 3	P.E. Strength Training 2 (411)	6	8	42
Period 5	P.E. Strength Training 2 (411)	15	15	42
	Total	21	23	
Period 2	Inclusion (434)	5	5	20
	Total	5	5	
Period 3	Inclusion - PE (435)	5	5	20
	Total	5	5	
Period 5	Functional Academics (436)	5	5	20
Period 4	Functional Academics (436)	5	5	20

	Total	10	10	
Period 7	Life Skills (437)	5	5	20
	Total	5	5	
Period 6	Com. Based Instruction (438)	5	5	20
	Total	5	5	
Period 1 -	Independent Productive Study (475)	26	25	32
	Total	26	25	
Period 5	French 1 (500)	24	22	32
	Total	24	22	
Period 7	French 2 (502)	14	13	32
	Total	14	13	
Period 3	French 3 (503)	17	16	32
	Total	17	16	
Period 3	AP French Lang. and Culture (506)	2	2	32
	Total	2	2	
Period 4	Spanish 1 (510)	25	24	32
Period 5	Spanish 1 (510)	26	27	32
Period 6	Spanish 1 (510)	21	19	32
Period 1 -	Spanish 1 (510)	15	17	32
	Total	87	87	
Period 2	Spanish 2 (512)	23	22	32
Period 4	Spanish 2 (512)	22	23	32
Period 5	Spanish 2 (512)	21	20	32
Period 7	Spanish 2 (512)	19	17	32
Period 3	Spanish 2 (512)	21	22	32
	Total	106	104	
Period 6	Spanish 3 (513)	28	24	32
Period 3	Spanish 3 (513)	14	13	32

Period 1 -	Spanish 3 (513)	21	22	32
	Total	63	59	
Period 6	Spanish 4 (514)	2	2	32
	Total	2	2	
Period 6	AP Spanish (515)	10	10	32
	Total	10	10	
Period 1 -	Leadership (524)	28	28	32
	Total	28	28	
Period 1 -	March/Concert Band (530)	47	45	70
	Total	47	45	
Period 2	Guitar (531)	10	8	32
	Total	10	8	
Period 7	Orchestra (535)	17	17	50
	Total	17	17	
Period 6	AP Studio Art and 2D Design (543)	3	3	32
Period 2	AP Studio Art and 2D Design (543)	2	2	32
Period 4	AP Studio Art and 2D Design (543)	1	1	32
	Total	6	6	
Period 4	Drawing & Painting (544)	20	18	32
	Total	20	18	
Period 6	2D Design (549)	25	24	32
Period 2	2D Design (549)	21	18	32
	Total	46	42	
Period 6	AP Studio Art: 2D Des/Photo (551)	1	1	32
	Total	1	1	
Period 6	Advanced 2D Design (553)	1	1	32
Period 2	Advanced 2D Design (553)	2	3	32
	Total	3	4	

Period 3	Advanced 3D Design (554)	0	0	32
Period 5	Advanced 3D Design (554)	2	2	32
	Total	2	2	
Period 6	SAS 11-12 (556)	17	14	32
Period 1 - Q2,Period 1 - Q4	SAS 11-12 (556)	15	12	32
	Total	32	26	
Period 4	SAS 9 (557)	15	17	32
Period 1 - Q2,Period	SAS 9 (557)	14	17	32
	Total	29	24	
Period 5	SAS 10 (558)	12	11	32
Period 5	SAS 10 (558)	2	3	32
Period 1 -	SAS 10 (558)	13	11	32
	Total	27	25	
Period 4	Advanced Drawing and Painting (559)	1	2	32
	Total	1	2	
Period 4	Drama (560)	13	12	32
	Total	13	12	
Period 4	Advanced Drama (561)	9	8	32
	Total	9	8	
Period 8C	Play Production (564)	0	0	32
	Total	0	0	
Period 2	AP 3D Art and Design (571)	1	1	32
	Total	1	1	
Period 6	SAS 11 (573)	5	4	32
Period 1 -	SAS 11 (573)		4	32
	Total	5	8	
Period 2	Culinary 1: Intro. to Culinary (637)	21	20	24

Period 4	Culinary 1: Intro. to Culinary (637)	20	19	24
Period 6	Culinary 1: Intro. to Culinary (637)	24	22	24
	Total	65	61	
Period 5	Culinary IV (649)		3	32
	Total		3	
Period 5	Culinary 3: Entrep. & Global C (639)	10		
	Total	10		
Period 3	3D Design (720)	18	18	24
Period 5	3D Design (720)	20	18	24
	Total	38	36	
Period 6	Art P12A: Digital Photo I (768)	0		
	Total	0		
Period 7	Culinary 1B: Fund of Baking (780)	20	22	24
	Total	20	22	
Period 5	Healthcare Occupations (781)	26	29	32
Period 7	Healthcare Occupations (781)	23	26	32
	Total	49	55	
Period 6	Therapeutic Services (782)	23	22	24
	Total	23	22	
Period 3	HOSP 78/83: Baking Techniques (783)		16	24
	Total		16	
Period 5	Photo 1 (797)	19	16	24
Period 7	Photo 1 (797)	18	19	24
	Total	37	35	
Period 6	Photo 2 (798)	10	11	24
	Total	10	11	
Period 3	HOSP 23 Culinary Prof Cooking (80)	16		24
	Total	16		

Period 5	HOSP 20/82: Catering (808)	1	10	24
	Total	1	10	
Period 2	AVID 2 and 12 (812)	5	6	32
	Total	5	6	
Period 4	English 11-12 (842)	8	8	32
	Total	8	8	
Period 2	Math 9-12 (845)	4	4	32
	Total	4	4	
Period 1 -	Spec. Acad. Support (890)	9	9	32
	Total	9	9	
Period 2	Personal Management (898)	6	5	32
	Total	6	5	
Special Day	Transition (899)	5	5	32
Special Day	Transition (899)	5	5	32
	Total	10	10	
Period 4	ESL (900)	15	14	32
	Total	15	14	
Period 6	Open Period (996)	0	0	400
Period 7	Open Period (996)	65	63	400
	Total	65	63	

2020-21 Pacific Grove Community High School Enrollment				
Period	Course	Student Numbers 10/2/20	Student Numbers 1/21/21	Class Capacity
CHS HmRm A & B	CHS Homeroom AM /PM(7001)	19	19	32
	Total	19	19	
English A	English 1 (7101)	2	3	32
	Total	2	3	
English B	English 2 (7102)	5	4	32
	Total	5	4	
English A	English 3 (7103)	4	4	32
	Total	4	4	
English B	English 4 (7104)	6	5	32
	Total	6	5	
Math A	Integrated Math 1 (7160)	1	1	32
	Total	1	1	
Math A	Geometry (7165)	0	0	32
	Total	0	0	
Math A	Algebra 1 (7200)	2	1	32
	Total	2	1	
Math B	Integrated Math 2 (7210)	2	1	32
	Total	2	1	
Math B	Pre-Algebra (7215)	4	0	32
	Total	4	0	
Science A	Life Science (7250)	1	4	32
	Total	1	4	
Science B	Physical Science (7300)	0	6	32
	Total	0	6	
Social Science C	Geography (7350)	3	2	32
	Total	3	2	
Social Science A	World History (7400)	5	7	32
	Total	5	7	
Social Science B	U.S. History (7450)	7	4	32
	Total	7	4	
Social Science A	Government (7500)	3	4	32
	Total	3	4	
Social Science D	Economics (7550)	6	3	32

2020-21 Pacific Grove Community High School Enrollment				
Period	Course	Student Numbers 10/2/20	Student Numbers 1/21/21	Class Capacity
	Total	6	3	
PE	P.E. (7600)	2	2	32
	P.E. (7600)	2	2	
	Total	4	4	32
Computers	Computer Arts (7650)	4	6	32
	Total	4	6	
Fine Arts	Fine Arts A (7701)	0	0	32
	Fine Arts B (7702)	0	0	32
	Total	0	0	
Vocational Education	Vocational Ed (7750)	11	5	32
	Total	11	5	
Health	Health (7800)	8	7	32
	Total	8	7	
Elective A	Elective T1 (7851)	2	0	32
	Total	2	0	
Elective B	Elective T2 (7852)	8	7	32
	Total	8	7	

- Student Learning and Achievement
- Health and Safety of Students and Schools
- Credibility and Communication
- Fiscal Solvency, Accountability and Integrity

- Consent
- Action/Discussion
- Information/Discussion
- Public Hearing

SUBJECT: Future Agenda Items

DATE: March 18, 2021

PERSON(S) RESPONSIBLE: Ralph Gómez Porras, Superintendent

RECOMMENDATION:

The Administration recommends that the Board review the list of future agenda items and direct Administration to add items to the list and/or schedule items for a particular agenda.

BACKGROUND:

Board Bylaw 9322 states in part that “Any member of the public or any Board member may request that a matter within the jurisdiction of the Board be placed on the agenda of a regular meeting. The request [from a member of the public] must be submitted to the Superintendent or designee with supporting documents and information ...”

INFORMATION:

Board members have the opportunity at the end of Open Session in a Regular Board meeting to request that items be added to the list for a future meeting. Depending upon the timeliness of the item, it may also be assigned a particular meeting date.

The following is a list of future agenda items as of the March 18, 2021 Regular Board Meeting:

- Added February 18, 2021: Board requested final review of Governance Handbook (Spring 2021)
- Added February 18, 2021: Board requested a review of grading policies (Spring 2021)
- Added February 18, 2021: A member of the public requested a discussion to explore realignment of 6th graders to the elementary level (Spring 2021)
- Board requested a renewed discussion about District solar panels (May 20, 2021)
- Added February 4, 2021: Return of affordable housing at a later date when more information becomes available (Fall 2021)
- Added March 4, 2021: A Board member requested a study about making ethnic studies a graduation requirement