

October 8, 2010

Mt. Diablo USD News Update

Where Kids Come First

On Your Mark, Get Set, Go...

To the Second Annual 5K Run to Benefit MDUSD Sports

Great thanks, in advance, to the United Mt. Diablo Athletic Foundation (“UMDAF”) for hosting the second annual 5K Run and Walk to benefit District high school sports. Athletics are just one of many victims of the state’s budget cuts. UMDAF stepped up to the plate to ensure our students are not denied the invaluable experience of team sports. Studies confirm that students who participate in organized school sports are less likely to experiment with dangerous behaviors, including drugs and alcohol. Please support UMDAF to achieve their goal of raising \$50,000 from this event.

Sunday, October 10

9:00 a.m.

Newhall Park, Concord

Food. Fun. Entertainment.

Support a great cause – support our student athletic programs. Log on to <http://www.unitedmtdiabloathletics.org/> to sign up and/or get additional information.

Bond Sale

On September 20, 2010, the District sold the first allotment of the bonds approved by voters under Measure C. The amount of the sale was \$110 million, almost a third of the \$348 million authorized by Measure C. The District is pleased to announce that it was able to sell approximately half of the first allotment (\$59.5 million), as Clean Renewable Energy Bonds (“CREBs”). CREBs are very beneficial to the District because most of the interest is paid by the Federal Government. The interest paid by the District itself is minimal, only about 1.7%. The District was able to qualify for the CREBs program because it applied early, over a year ago. Lower interest costs result in greater energy savings because the bond payoff cost is substantially lessened.

The remaining \$50.5 million in bonds were issued as General Obligation bonds. These bonds have an interest rate of about 5.7% and have a term of 25 years. If you would like more information about the bonds and the exciting projects they will finance, we invite you to attend the October 12, 2010 Board meeting, where there will be a formal presentation during the Superintendent’s Report. We will keep you regularly informed on project developments as we build a new District!

Measure C Update

The aforementioned \$110 million will be used for the following projects:

- District wide solar installation
- District wide technology infrastructure improvements
- Paying off \$14 million in Certificates of Participation (“COPs”) and lease purchase payments which will relieve the District of \$1.4 million annual debt payments through 2024
- Begin the process of equalizing HVAC enhancements throughout the District

Shining the Light on Solar

After a rigorous selection process the District selected SunPower to design and build its solar projects. SunPower is a local, established and nationally recognized designer and builder of solar power systems. The initial timeline had the Board considering the SunPower contract at its October 12, 2010, meeting. In order to allow the parties to finalize their discussions, the contract will now be presented at the October 26, 2010 Board meeting.

Pete Pederson, Bond Program Administrator, is visiting each District school site to determine the most appropriate location for each solar facility. Solar structures can often serve as shade structures and rain covers as well as energy generators.

K to College School Supply Program

The K to College School Supply Program (“SSP”) provides free canvas tote bags filled with school supplies to students who are at or below 200% of the federal poverty level. Their mission is to promote equal access to higher education by ensuring every student has the resources and tools to learn from kindergarten to college. K to College was founded in 2008 by UC Berkeley students and alumni. K to College's founding members reached out to community leaders experienced with low-income education, including educators, local, state and federal representatives, faith-based leaders, and other education-based nonprofit leaders. The SSP is funded by the American Reinvestment and Recovery Act (“ARRA”) and allocates funds to pay for \$70 tote bags for low income students. Every student at the participating schools was given a tote bag containing supplies and a dental kit. Nearly 10,000 students in the District received tote bags. For more information: <http://www.k2college.org/home>

Rising Cost of Health Care to Be Discussed at October 12 Board Meeting

Mirroring discussions being held by employers throughout the nation, the Board is trying to manage the spiraling cost of health care benefits for all District employees. Currently, full coverage is provided to administrators, confidential and classified employees. Several years ago teachers negotiated benefits into their salary schedule and have recently received funding towards medical benefits. The simultaneous trends of increasing benefit costs and diminishing state education funds forced the District to consider capping its health care contribution. As discussed in previous Board meetings, if we cannot cap the District's benefit contribution, we will be forced to implement more layoffs to pay for health care cost increases. Administrators, supervisors and confidential employees have accepted a benefit cap.

The Kaiser rate for medical insurance increased 6.84% from the 2010 rate and if it remains uncapped, the District will pay \$23,027,792 in 2011 and approximately \$27,224,287 by 2013.