

ADDENDUM TO AGENDA
ELK GROVE UNIFIED SCHOOL DISTRICT
Regular Meeting of the Board of Education
Board Room, Education Center
9510 Elk Grove-Florin Road
Elk Grove, CA 95624
October 15, 2013
Closed Session – 5:30 p.m.
Regular Session – 7:00 p.m.

Item

Time – Approximate

OPEN MEETING - 7:00 p.m.

XII. Action Items

- 17A. Ratification of Contracts, Item 31, #1, Carried Over from 10-1-13 Board Meeting
- 17B. Fee for Service Agreements with Maxim Staffing Solutions and Valley Health Systems,
Carried Over from 10-1-13 Board Meeting

AMERICAN WITH DISABILITIES COMPLIANCE NOTICE

In compliance with the Americans with Disabilities Act, those requiring special assistance to access the Board meeting room, to access written documents being discussed at the Board meeting, or to otherwise participate at Board meetings, please contact the Board Secretary, Arlene Hein, at (916) 686-7700.

Notification of at least 24 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to the Board meeting and to provide any required accommodation, auxiliary aids or services.

DOCUMENT AVAILABILITY

Documents provided to a majority of the Governing Board regarding an open session item on this agenda will be made available for public inspection in District office located at 9510 Elk Grove-Florin Road, Elk Grove, CA during normal business hours.

ELK GROVE UNIFIED SCHOOL DISTRICT

Agenda Item

No:

17A.

Board Agenda Item

Supplement No.

Meeting Date:

October 15, 2013

Subject:

Ratification of Contracts

Department:

Fiscal Services

Action Requested:

The Board is asked to ratify contracts which have been signed by authorized district staff, in accordance with Board Policy 3312-Contracts.

Discussion:

Under current Board Policy 3312 "contracts under the bid limits can be approved by the Designated Personnel, subject to Board ratification". Staff recommends that the Board ratify the contract below, which is under the bid limit of \$83,400 and has been approved by authorized district staff.

Copy of the contract is on file with Fiscal Services, should you wish to review it in detail.

	Agreement With	Services Provided	Term of Agreement	Department	Funding Source	Amount
1.	Child Abuse Prevention Council of Sacramento, Inc.	Support services for foster youth utilizing AmeriCorps	9/17/2013-9/15/2014	Student Support & Health Services	Title I Neglected	\$21,578

Financial Summary:

Please see funding information provided above.

Prepared By: Carrie Hargis *Carrie Hargis*

Division Approval:

Rich Fagan *Rich Fagan*

Prepared By:

Superintendent Approval:

Steven M. Ladd, Ed.D. *SM Ladd*

ELK GROVE UNIFIED SCHOOL DISTRICT

Agenda Item No: 17B.

Board Agenda Item

Supplement No. _____

Meeting Date October 15, 2013

Subject:

Department: Student Support & Health Services

Fee for service agreements with Maxim Staffing Solutions and Valley Healthcare Systems to provide agency staff as needed for medically fragile students' health care needs for the 2013-2014 school year.

Action Requested:

The Board is requested to approve the renewal of the fee for service agreements between Elk Grove Unified School District and Maxim Staffing Solutions and Valley Healthcare Systems for the provision of additional healthcare staffing from these agencies when needed for medically fragile children in the 2013-2014 school year.

Discussion:

Currently, the Elk Grove Unified School District has 62 children who are classified as "medically fragile." The law requires that school districts provide safe and appropriate care throughout the school day. The agency staff from these agreements supplement district employees that provide the same services (Health Assistants and School Nurses), as student enrollment with medical needs expand and contract. These services include, but are not limited to: monitoring children with seizures; monitoring of diabetes and administering of insulin; monitoring and healthcare services for conditions of pituitary, adrenal and immune system disorders; administering medications; administering Diastat for seizures (rectal administration); injections of epinephrine via epi-pen for severe allergic reactions; tracheostomy care; monitoring blood oxygen levels; monitoring blood glucose levels; g-tube feeding (gastrostomy tube through the abdomen that deliver nutrition); catheterization, etc..

These agreements allow for rapid expansion and contraction of staff to meet the fluctuating and unpredictable health care needs of students. They allow EGUSD Health Services to provide mandated and immediate healthcare services to a newly enrolled medically fragile student or a newly diagnosed student needing health care services (documented by Doctor orders and in consultation with the district school nurses) with pre-screened, qualified, and legally required licensed staff. They also allow immediate reduction of staff when students leave the district or only need specialized services for short-term care.

Financial Summary:

These are ongoing "fee for service" agreements between Maxim Staffing Solutions and Valley Healthcare System with the Elk Grove Unified School District; funding is provided by Special Education and the General Fund broken down by the percentage of time each agency staff person serves each student and based on the student's program – special education or regular education (including those with Section 504 plans). Depending on student needs, the number of students (expansion and contraction), and length of services, costs for both agreements range between \$60,000 and \$300,000. The agreements have been reviewed and approved as to form and content by EGUSD Fiscal Services and meet all EGUSD criteria.

Prepared By: Rebecca Santos

Department Approval: Tom Jenkins 

Prepared By: Carl J. Steinauer 

Superintendent Approval: 



AGREEMENT AMENDMENT

This Amendment (hereinafter "Amendment") to the Facility Staffing agreement (hereinafter "Agreement") is entered into this 28 day of January, 2013, by and between **Elk Grove Unified School District** located at 9510 Elk Grove-Florin Road, Elk Grove CA 95624, referred to in this Agreement as "FACILITY," and **Maxim Healthcare Services, Inc. d/b/a Maxim Staffing Solutions**, a Maryland Corporation including its affiliates and subsidiaries, with an office located at 2020 Hurley Way Suite 110 Sacramento, CA 95825, referred to in this Agreement as "MAXIM."

RECITALS

WHEREAS, FACILITY and MAXIM entered into the Agreement, with an effective date of August 13th 2008.

WHEREAS, FACILITY and MAXIM wish to amend the Agreement to incorporate the following terms and conditions.

THEREFORE, in consideration of the above premises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, and intending to be legally bound, FACILITY and MAXIM hereby agree to amend the Agreement to reflect the following terms and conditions.

The following rates shall be applicable as of the Effective Date listed below:

Service	Rate
Instructional Aide	\$28
LVN/RN	\$40
District RN	\$56

The terms and conditions of this Amendment are effective as of agreement being signed, dated and executed by both parties. All other terms and conditions will remain unchanged as stated in the Agreement.

FACILITY and MAXIM have acknowledged their understanding of and agreement to the mutual promises written above by executing and delivering this Agreement as of the date set forth above.

ELK GROVE UNIFIED SCHOOL DISTRICT

MAXIM HEALTHCARE SERVICES, INC.
D/B/A MAXIM STAFFING SOLUTIONS

Carrie Hargis
Signature

Signature

Carrie Hargis, Director of Fiscal Svcs.
Printed Name & Title

Printed Name & Title

February, 2013 May 15, 2013
Date

Date

*in 2/10
2/15/13*



FACILITY STAFFING AGREEMENT

This Facility Staffing Agreement (hereinafter "Agreement") is entered into this 13 day of August, 2008, by and between Elk Grove Unified School District located at 9510 Elk Grove Florin Road Elk Grove, Ca 95824, referred to in this Agreement as "FACILITY," and Maxim Healthcare Services, Inc. d/b/a Maxim Staffing Solutions, a Maryland Corporation including its affiliates and subsidiaries, with an office located at 2020 Hurley Way Suite 110 Sacramento, Ca 95825 referred to in this Agreement as "MAXIM."

RECITALS

WHEREAS, FACILITY operates a School District located in Ca and wishes to engage MAXIM to provide personnel to supplement FACILITY's staff.

WHEREAS, MAXIM operates a supplemental staffing agency and employs licensed health care personnel to provide healthcare services to FACILITY.

THEREFORE, in consideration of the above premises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, and intending to be legally bound, FACILITY and MAXIM hereby agree to the following terms and conditions.

ARTICLE 1. TERM OF AGREEMENT

Section 1.1 Term. This Agreement will be in effect for one (1) year and will continue indefinitely until terminated pursuant to Section 1.2 of this Agreement.

Section 1.2 Termination. Either party may terminate this Agreement at any time, with or without cause, by providing at least thirty (30) days advance written notice of the termination date to the other party. Such termination will have no effect upon the rights and obligations resulting from any transactions occurring prior to the effective date of the termination.

ARTICLE 2. RESPONSIBILITIES OF MAXIM

Section 2.1 Services. MAXIM will, upon request by FACILITY, provide one or more licensed health care providers (i.e. LPNs, LVNs, RNs, CNAs) as specified by FACILITY (collectively, "Personnel") for supplemental staffing services, subject to availability of qualified Personnel.

Section 2.2 Personnel. MAXIM will supply FACILITY with Personnel who meet the following criteria and will provide evidence of the following to FACILITY upon written request:

- 1) Possess current state license/registration and/or certification.
- 2) Possess CPR certification, as requested in writing by FACILITY to comply with applicable law.
- 3) Completed pre-employment physical as requested in writing by FACILITY to comply with applicable law.

Facility Staffing Agreement
Maxim Healthcare Services, Inc. d/b/a Maxim Staffing Solutions

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- 4) Possess proof of pre-employment screening to include a TB skin test or chest X-ray, professional references, criminal background check(s) (and drug screenings as requested in writing).
- 5) Possess a preferred one (1) year of relevant professional experience and a preferred one (1) year of specialty experience.
- 6) Possess current skills competency to include, (i) written exam; (ii) skills checklist; and (iii) verified work history.
- 7) Completed MAXIM standard OSHA and HIPAA training.

Section 2.3 Insurance. MAXIM will maintain (at its sole expense), or require the individual it provides under this Agreement to maintain, valid policies of insurance evidencing general and professional liability coverage of not less than \$1,000,000 per occurrence and \$3,000,000 in the aggregate, covering the sole negligent acts or omissions which may give rise to liability for services provided under this Agreement. MAXIM will provide a certificate of insurance evidencing such coverage upon request by FACILITY.

Section 2.4 Use of Independent Contractors and Subcontractors. Personnel provided to FACILITY are employees of MAXIM and are subject to MAXIM'S standard screening process, as well as additional qualifications as required in this Agreement. If MAXIM deems it necessary to obtain the services of a subcontractor to fulfill its requirements under this Agreement, MAXIM will notify FACILITY in writing of its intent to use subcontractors and will obtain written approval from FACILITY. MAXIM will ensure that any subcontractor will comply with all applicable terms of this Agreement. MAXIM will provide written notification to FACILITY if it becomes necessary for MAXIM to utilize independent contractors to fulfill its staffing obligations to FACILITY. Any Personnel provided to FACILITY by an independent contractor will be subject to the same qualifications as MAXIM employees.

Section 2.5 Employment and Taxes. MAXIM will follow its standard employment policies and procedures to verify that all Personnel meet applicable licensing requirements. MAXIM, or its subcontractor if applicable, will maintain direct responsibility as employer for the payment of wages and other compensation, and for any applicable mandatory withholdings and contributions such as federal, state, and local income taxes, social security taxes, worker's compensation, and unemployment insurance.

Section 2.6 Record Access. In instances where FACILITY is Medicare and/or Medicaid certified, MAXIM agrees that in accordance with Section 952 of the Omnibus Budget Reconciliation Act of 1980, its contracts, books, documents and records will be made available to the Comptroller General of the United States, the United States Department of Health and Human Services and their duly authorized representatives ("USDHHS") until the expiration of four (4) years after the date on which such services were furnished under this Agreement.

ARTICLE 3. RESPONSIBILITIES OF FACILITY

Section 3.1 Orientation. FACILITY will promptly provide MAXIM Personnel with an adequate and timely orientation to FACILITY. FACILITY shall review instructions regarding confidentiality (including patient and employee), and orient MAXIM Personnel to the specific Exposure Control Plan of the FACILITY as it pertains to OSHA requirements for bloodborne pathogens, as well as any of the FACILITY'S specific policies and procedures provided to MAXIM for such purpose.

Section 3.2 Requests for Personnel. FACILITY will use its best efforts to request Personnel at least twenty-four (24) hours prior to reporting time in order to assure prompt

arrival of assigned Personnel. All information regarding reporting time and assignment will be provided by FACILITY at the time of the initial call.

- Section 3.3 Short-notice Requests.** MAXIM will bill FACILITY for the entire shift if an order for staff is made less than two (2) hour(s) prior to the start of the shift, as long as the Personnel report for work within a reasonable prompt period of time under existing conditions after receiving notice of the assignment.
- Section 3.4 Staff Order Cancellation.** If FACILITY changes or cancels an order less than two (2) hours prior to the start of a shift, MAXIM will bill FACILITY for two (2) hours at the established fee for each scheduled Personnel. MAXIM will be responsible for contacting MAXIM Personnel prior to reporting time.
- Section 3.5 Responsibility for Patient Care.** FACILITY retains full authority and responsibility for professional and medical management of care for each of its patients and for ensuring that services provided by MAXIM Personnel under this agreement are furnished in a safe and effective manner and in accordance with applicable standards.
- Section 3.6 Placement Fee.** For a period of twelve (12) months following that date on which MAXIM Personnel last worked a shift at FACILITY, FACILITY agrees that it will take no steps to recruit, hire or employ as its own employees or as a contractor those Personnel provided by MAXIM during the term of this Agreement. FACILITY understands and agrees that MAXIM is not an employment agency and that Personnel are assigned to the FACILITY to render temporary service(s) and are not assigned to become employed by the FACILITY. The FACILITY further acknowledges and agrees that there is a substantial investment in business related costs incurred by MAXIM in recruiting, training and employing Personnel, to include advertisement, recruitment, interviewing, evaluation, reference checks, training, and supervising Personnel. In the event that FACILITY, or any affiliate, subsidiary, department, or division of FACILITY hires, employs or solicits MAXIM Personnel, FACILITY will be in breach of this Agreement. FACILITY agrees to give MAXIM either (a) one hundred and eighty (180) days prior written notice of its intent to hire, or employ, continuing to staff Personnel through MAXIM for a minimum of thirty-six (36) hours per week through the one hundred and eighty (180) days notice period; OR (b) to pay MAXIM liquidated damages equal to the greater of: five thousand dollars (\$5,000) or the sum of thirty percent (30%) of such Personnel's annualized salary (calculated as Weekday Hourly Pay Rate x 2080 Hours x 30%).
- Section 3.7 Non-Performance.** If FACILITY concludes, in its sole discretion, that any Personnel provided by MAXIM have engaged in misconduct, or have been negligent, FACILITY may require the Personnel to leave the premises and will notify MAXIM immediately in writing, providing in reasonable detail the reason(s) for such dismissal. FACILITY'S obligation to compensate MAXIM for such Personnel's services will be limited to the number of hours actually worked. MAXIM will not reassign the individual to FACILITY without prior approval of the FACILITY.
- Section 3.8 Right to Dismiss.** FACILITY may request the dismissal of any MAXIM Personnel for any reason. FACILITY agrees to notify MAXIM of any such action immediately in writing, providing in reasonable detail the reason(s) for such dismissal. FACILITY shall be obligated to compensate MAXIM for all Personnel hours worked prior to dismissal.
- Section 3.9 Float Policy.** Subject to prior written notification, FACILITY may reassign Personnel to a different FACILITY department, unit, facility, or to a different staff classification (hereinafter "Float"). If Personnel satisfy the requisite specialty qualifications, if FACILITY Floats Personnel, the Personnel must perform the

duties of the revised assignment as if the revised assignment were the original assignment. FACILITY will provide the Personnel with additional orientation regarding the Float as necessary. If Personnel Floats to a staff classification that has a lower reimbursement rate, then the reimbursement rate that was applicable to the original Personnel assignment remains the applicable reimbursement rate despite the Float. If Personnel Floats to a staff classification that has a higher reimbursement rate, then the reimbursement rate that is applicable to the newly assigned staff classification is the applicable reimbursement rate for as long as the Personnel continues to work in that staff classification.

Section 3.10 Insurance. FACILITY will maintain at its sole expense valid policies of general and professional liability insurance with minimum limits of \$1,000,000 per occurrence and \$3,000,000 annual aggregate covering the acts or omissions of its employees, contractors and agents which may give rise to liability in connection with the Services under this Agreement. FACILITY will give MAXIM prompt written notice of any material change in FACILITY coverage.

Section 3.11 Incident Reports. FACILITY shall report to MAXIM any unexpected incident known to involve any Personnel (such as Personnel errors, unanticipated deaths or other unanticipated patient-related events or injuries known to be attributable to Personnel, and any safety hazards known to be related to the Services provided by Personnel) if the incident may have an adverse impact on the FACILITY and/or MAXIM in order to comply with MAXIM'S incident tracking program. Complaints and grievances regarding MAXIM Personnel may be reported to the local MAXIM representative at any time.

ARTICLE 4. MUTUAL RESPONSIBILITIES

Section 4.1 Non-discrimination. Neither MAXIM nor FACILITY will discriminate on the basis of age, race, color, national origin, religion, sex, disability, being a qualified disabled veteran, being a qualified veteran of the Vietnam era, or any other category protected by law.

ARTICLE 5. COMPENSATION

Section 5.1 Invoicing. MAXIM will supply Personnel under this Agreement at the rates listed in the Attachment(s). MAXIM will submit invoices to FACILITY every week for Personnel provided to FACILITY during the preceding week. Invoices shall be submitted to the following address:

Elk Grove Unified School District
5510 Elk Grove-Florin Road
Elk Grove, Ca 95624
ATTN: Rebecca Santos

Section 5.2 Payment. All amounts due to MAXIM are due and payable within thirty (30) days from date of invoice. FACILITY will send all payments to the address set forth on the invoice.

Section 5.3 Late Payment. Payments not received within thirty (30) days from the applicable invoice date will accumulate interest, until paid, at the rate of one and one-half percent (1.5%) per month on the unpaid balance, equating to an annual percentage rate of eighteen percent (18%), or the maximum rate permitted by applicable law, whichever is less.

Section 5.4 Rate Change. MAXIM will provide FACILITY at least thirty (30) days advance written notice of any change in rates.

ARTICLE I. GENERAL TERMS

Section 5.1 **Independent Contractors.** MAXIM and FACILITY are independent legal entities. Nothing in this Agreement shall be construed to create the relationship of employer and employee, or principal and agent, or any relationship other than that of independent parties contracting with each other solely for the purpose of carrying out the terms of this Agreement. Neither MAXIM nor FACILITY nor any of their respective agents or employees shall control or have any right to control the activities of the other party in carrying out the terms of this Agreement.

Section 5.2 **Assignment.** Neither party may assign this Agreement without the prior written consent of the other party, and such consent will not be unreasonably withheld. No such consent will be required for assignment to an entity owned by or under common control with assignor or in connection with any acquisition of all of the assets or capital stock of a party; provided however, the assigning party will provide notice of such transaction to the other party and remain fully responsible for compliance with all of the terms of this Agreement.

Section 5.3 **Indemnification.** MAXIM agrees to indemnify and hold harmless FACILITY, and its directors, officers, and agents from and against any and all claims, actions, or liabilities which may be asserted against them by third parties in connection with the sole negligent performance of MAXIM, its directors, officers, employees or agents under this Agreement only. FACILITY agrees to indemnify and hold harmless MAXIM, its directors, officers, shareholders, employees and agents from and against any and all claims, actions, or liabilities which may be asserted against them by third parties in connection with the negligent performance of FACILITY, its directors, officers, employees, contractors or agents under this Agreement.

Section 5.4 **Attorneys' Fees.** In the event either party is required to obtain legal assistance (including in-house counsel) to enforce its rights under this Agreement, or to collect any monies due to such party for services provided, the prevailing party shall be entitled to receive from the other party, in addition to all other sums due, reasonable attorney's fees, court costs and expenses, if any, incurred enforcing its rights and/or collecting its monies.

Section 5.5 **Notices.** Any notice or demand required under this Agreement will be in writing; will be personally served or sent by certified mail, return receipt requested, postage prepaid, or by a recognized overnight carrier which provides proof of receipt; and will be sent to the addresses below. Either party may change the address to which notices are sent by sending written notice of such change of address to the other party.

Elk Grove Unified School District
9510 Elk Grove-Floor Road
Elk Grove, Ca 95826
ATTN: Rebecca Santos

Maxim Healthcare Services, Inc.
7227 Lee DeForest Drive
Columbia, MD 21048
ATTN: Contracts Department

COPY TO:

Maxim Staffing Solutions
2020 Hurley Way Suite 110
Sacramento, Ca 95826
ATTN: Jordan Buhagiar

Section 5.6 **Headings.** The headings of sections and subsections of this Agreement are for reference only and will not affect in any way the meaning or interpretation of this Agreement.

- Section 5.7 Entire Contract; Counterparts.** This Agreement constitutes the entire contract between FACILITY and MAXIM regarding the services to be provided hereunder. Any agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force or effect. This Agreement may be executed in any number of counterparts, each of which will be deemed to be the original, but all of which shall constitute one and the same document. No amendments to this Agreement will be effective unless made in writing and signed by duly authorized representatives of both parties except as provided in Section 5.9.
- Section 5.8 Availability of Personnel.** The parties agree that MAXIM'S duty to supply Personnel on request of FACILITY is subject to the availability of qualified MAXIM Personnel. The failure of MAXIM to provide Personnel or the failure of FACILITY to request Personnel shall result in no penalty to FACILITY or any party claiming by or through it and shall not constitute a breach of this Agreement.
- Section 5.9 Compliance with Laws.** MAXIM agrees that all services provided pursuant to this Agreement shall be performed in compliance with all applicable federal, state, and/or local rules and regulations. In the event that applicable federal, state or local laws and regulations or applicable accrediting body standards are modified, MAXIM reserves the right to notify FACILITY in writing of any modifications to the Agreement in order to remain in compliance with such law, rule or regulation.
- Section 5.10 Severability.** In the event that one or more provision(s) of this Agreement is deemed invalid, unlawful and/or unenforceable, then only that provision will be omitted, and will not affect the validity or enforceability of any other provision; the remaining provisions will be deemed to continue in full force and effect.
- Section 5.11 Governing Law, Jurisdiction.** This Agreement will be governed by and construed in accordance with the laws of the State of Maryland, without regard to its principles of conflict of laws. Any dispute or claim from this Agreement shall be resolved exclusively in the federal and state courts of the State of Maryland and the parties hereby irrevocably submit to the personal jurisdiction of said courts and waive all defenses thereto.
- Section 5.12 Confidentiality.** The parties agree to keep the terms and conditions of this Agreement, and any information exchanged or obtained hereunder strictly confidential, and not to disclose such information and materials to any third party, except pursuant to a court order or applicable law, rule or regulation.
- Section 5.13 Limitation on Liability.** Neither MAXIM nor FACILITY will be responsible for special, indirect, incidental, consequential, or other similar damages, including but not limited to lost profits, that the other party may incur or experience in connection with this Agreement or the services provided, however caused, even if such party has been advised of the possibility of such damages.

ARTICLE 7. CONFIDENTIALITY OF PROTECTED HEALTH INFORMATION

- Section 7.1 HIPAA Compliance.** In instances where MAXIM receives Protected Health Information, (herein referred to as "PHI") in connection with the services provided to FACILITY, MAXIM and FACILITY agree that they shall each:
- 1) comply with the applicable provisions of the Administrative Simplification section of the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C. § 1320d through d-8 ("HIPAA"), and the requirements of any regulations promulgated thereunder.
 - 2) not use or further disclose any PHI concerning a client/patient other than as permitted by this Agreement, the requirements of HIPAA and/or

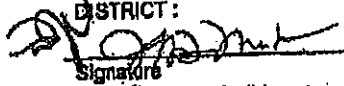
applicable federal regulations. Both Parties shall implement appropriate safeguards to prevent the use or disclosure of a client's/patient's PHI other than as provided for by this Agreement.

- 3) promptly report any violations, use and/or disclosure of a client's/patient's PHI not provided for by this Agreement as soon as practicable, upon becoming aware of the improper violation(s), use and/or disclosure.

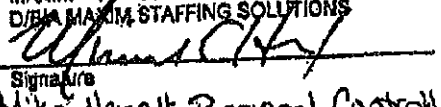
Section 7.2 Breach of Confidentiality. In the event that either party is in breach of any provision(s) of this Article and Section 6.12 of this Agreement, it shall immediately advise the opposite party and take steps to remedy such breach, including, but not limited to protecting against the consequences of any disclosure or use of PHI in violation of this Agreement. Both parties acknowledge that use or disclosure of the PHI, in any manner inconsistent with this Agreement, may result in irreparable and continuing damage and that the party damaged by the disclosure shall have the right to seek legal and equitable relief, including injunctive relief, without the necessity of posting bond or other security necessary to protect against any such breach or threatened breach, including, without limitation, injunctive relief.

FACILITY and MAXIM have acknowledged their understanding of and agreement to the mutual promises written above by executing and delivering this Agreement as of the date set forth above.

ELK GROVE UNIFIED SCHOOL
DISTRICT:


Signature
Jeffrey L. Markin
Printed Name & Title
Director, Fiscal Services
Date 8/20/08

MAXIM HEALTHCARE SERVICES, INC.,
D/B/A MAXIM STAFFING SOLUTIONS


Signature
Mike Herrell Regional Controller
Printed Name & Title
Date 9-2-08

ATTACHMENT A
MAXIM STAFFING SOLUTIONS
FACILITY STAFFING RATES FOR
ELK GROVE UNIFIED SCHOOL DISTRICT

Charges will be based on the following hourly rate schedule effective August 13, 2008:

Service	Weekday Rate	Weekend Rate
RN	\$58	\$66
LVN	\$50	\$60
*Visit	\$125	\$125

* Visit applies to any RN or LVN services between 0-2 hours. In addition, no minimum hourly requirements will apply.

Weekend. Weekend rates will apply to shifts beginning at 11:00 p.m. on Friday and ending at 7:00 a.m. on Monday.

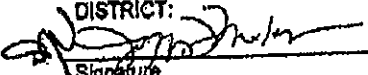
Orientation. Rates listed above will be charged for all time spent in required FACILITY orientation.

Overtime. Overtime rates are charged for all hours worked in excess of forty (40) per week or according to applicable state law. Overtime must have FACILITY supervisory approval. The overtime rate is one and one-half (1.5) times the regular billing rate for such hours.

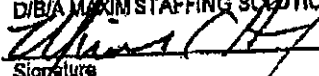
Holidays. Holiday rates will apply to shifts beginning at 11:00 p.m. the night before the holiday through 11:00 p.m. the night of the holiday. Time and one-half will be charged for the following holidays:

New Year's Eve (from 3 PM)	Thanksgiving Day
New Year's Day	Labor Day
Memorial Day	Christmas Eve (from 3 PM)
Independence Day	Christmas Day
Easter	Presidents Day
Martin Luther King Day	Pioneer Day (Utah Only)

ELK GROVE UNIFIED SCHOOL
DISTRICT:


Signature
JEFFREY L. MARKOV
Printed Name & Title
DIRECTOR, PERSONAL SERVICE
5/20/08
Date

MAXIM HEALTHCARE SERVICES, INC.
D/B/A MAXIM STAFFING SOLUTIONS:


Signature
Mike Henrich, Regional Controller
Printed Name & Title
9.1.8
Date

ACORD CERTIFICATE OF LIABILITY INSURANCE		DATE ISSUED 7/3/2008
PRODUCER (510) 524-9130, Fax (510) 524-2031 Altus Parbuzero, Inc. 519 Comstock Road Building 3, Suite 111 Rosemont PA 19010 INSURED Maxim Healthcare Services, Inc. 1227 Lee DeForest Drive Columbia MD 21046		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
INSURERS AFFORDING COVERAGE INSURER Underwriters at Lloyd's INSURER Travelers Property INSURER L.L. South Insurance Co. INSURER INSURER		NAIC#

COVERAGES							
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.							
CLASS	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	COVERAGE	AMOUNT	REMARKS
A	GENERAL LIABILITY	880900097	11/30/2007	11/30/2008	EACH OCCURRENCE	7,000,000	
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input checked="" type="checkbox"/> CLAMS MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Professional EMB. <input checked="" type="checkbox"/> \$4,000,000 PER GEN'L AGGREGATE LIMIT APPLIES PER <input checked="" type="checkbox"/> EXCESS <input type="checkbox"/> PER <input type="checkbox"/> AGG				DAMAGE TO RENTED TRUCKS (EXCLUDED) MED EXP (EXCLUDED) PERSONAL AND ADJ GENERAL AGGREGATE UNCONT'D. COVERAGE AGG	4,000,000 2,000 Included 7,000,000 7,000,000	
B	AUTOMOBILE LIABILITY	830-5072A750-212-07	12/30/2007	12/30/2008	COMBINED SINGLE LIMIT (EX. OCCUR)	2,000,000	
	<input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				BODILY INJURY (EX. OCCUR) BODILY INJURY (EX. OCCUR) PROPERTY DAMAGE (EX. OCCUR)		
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT		
	<input type="checkbox"/> ANY AUTO EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAMS MADE <input type="checkbox"/> DECKOUTERS RETENTION:				OTHER THAN AUTO ONLY AGG EACH OCCURRENCE AGGREGATE		
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	5144503	12/30/2007	12/30/2008	EL FATALITY	3,000,000	
	ANY PROPRIETARY/TERMINATIVE OFFICER/EMPLOYEE EXCLUDED? TYPE WORKER UNEMP SPECIAL PROVISIONS below OTHER				EL DISEASE - SA EMPLOYER EL DISEASE - POLICY LIMIT	3,000,000 3,000,000	

DESCRIPTION OF OPERATIONS, LOCATIONS, EXCLUSIONS, ADDENDUMS, SPECIAL PROVISIONS
 Certificate is issued as evidence of insurance per the policy terms, conditions, and exclusions. Elk Grove Unified School District is an additional insured on the general liability insurance policy per the written agreement.

CERTIFICATE HOLDER	CANCELLATION
Elk Grove Unified School District Attn: Marlin Robbison 9510 Elk Grove-Florin Road Elk Grove, CA 95624	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL endeavor to MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPROVE NO CANCELLATION OR LIABILITY OF ANY KIND UPON THE INSURER OR AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE KATHY SWICKS/KAS

ACORD CERTIFICATE OF LIABILITY INSURANCE		DATE (MM/DD/YYYY) 11/18/2008
PRODUCER (510) 525-9130 FAX: (510) 525-2021 Altus Partners, Inc. 919 Conestoga Road. Building 3, Suite 111 Rosemont PA 19010		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
INSURED		INSURERS AFFORDING COVERAGE
Maxim Healthcare Services, Inc.		INSURER A: Underwriters Lloyd's
7227 Lee DeForest Drive		INSURER B: Travelers Property
Columbia MD 21046		INSURER C: AI South Insurance Co
		INSURER D:
		INSURER E:

COVERAGES
 THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADDL LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input checked="" type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Professional Indeb <input checked="" type="checkbox"/> \$4,000,000 AIR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC	780700807	11/30/2008	11/30/2009	EACH OCCURRENCE \$ 7,000,000 DAMAGE TO RENTED PREMISES (EA OCCURRENCE) \$ 4,000,000 MED EXP (ANY ONE PERSON) \$ 2,000 PERSONAL & ADV INJURY \$ Included GENERAL AGGREGATE \$ 7,000,000 PRODUCTS - COMP/OP AGG \$ 7,000,000 Exclusion: Exclusion
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	630-5072A760-TX-08	11/30/2008	11/30/2009	COMBINED SINGLE LIMIT (EA accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				EACH OCCURRENCE \$ AGGREGATE \$ DEDUCTIBLE \$ RETENTION \$
	EXCESS UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ DEDUCTIBLE \$ RETENTION \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER	4801221	11/30/2008	11/30/2009	<input checked="" type="checkbox"/> NO STATUTORY LIMITS <input type="checkbox"/> OTHER EL: EACH ACCIDENT \$ 1,000,000 EL: DISEASE - EA EMPLOYEE \$ 1,000,000 EL: DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENTS/SPECIAL PROVISIONS:
 Certificate is issued as evidence of insurance per the policy terms, conditions, and exclusions.

CERTIFICATE HOLDER

FOR INFORMATION PURPOSES ONLY

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
 Christopher

Christopher A. Pongracz

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AGREEMENT FOR
SUPPLEMENTAL STAFFING AGENCIES

This Agreement is entered into this January 30, 2013 by and between Elk Grove Unified EGUSD District and Valley Healthcare Systems, Inc. ("Agency").

ARTICLE I

RECITALS

1.1 EGUSD District. Elk Grove Unified EGUSD (EGUSD) is licensed as a general education School.

1.2 Agency. Agency is licensed as a health registry and is qualified to make available health professionals, upon request of EGUSD for the provision of quality services at EGUSD. Health professionals shall be referred to collectively herein as "Agency Employee(s)".

1.3 Purpose of This Agreement. The purpose of this Agreement is to set forth the terms and conditions pursuant to which Agency shall provide Agency Employees to EGUSD upon request from EGUSD.

NOW, THEREFORE, EGUSD and Agency hereby agree as follows:

ARTICLE II

SERVICES

2.1 Provision of Agency Employees: Preassignment Screening. Upon request by EGUSD, Agency shall use its best efforts to assign temporary Agency Employee(s) to EGUSD in full compliance with all the provisions of this Agreement. Agency shall carefully screen Agency Employee(s) to determine their qualifications and competence prior to referring Agency Employee(s) to EGUSD. This screening by Agency shall include, but not be limited to, obtaining all pertinent information (hereinafter "Preassignment Screening Information") concerning the past employment, licensure, certifications, education and professional skills of Agency Employee(s). In addition, EGUSD may, in its sole discretion require Agency to conduct a full background/criminal record check on the Agency Employee to be assigned at EGUSD, the costs of which shall be absorbed by Agency. All Preassignment Screening Information shall be made immediately available to EGUSD by Agency upon request by EGUSD.

2.2 Qualified Agency Employees. Agency agrees to provide EGUSD competent personnel (hereinafter "Qualified Agency Employees") as requested by EGUSD to meet EGUSD's supplemental staffing needs.

The existence of the required work experience, licensure and/or professional certification, and the results of a background/criminal record check shall be confirmed by Agency when it acquires the Preassignment Screening Information from Agency Employee(s). EGUSD shall have the right to demand proof from Agency that any individual assigned to Hospital by Agency satisfied the criteria for "Qualified Agency Employees," and EGUSD shall also have the right, in its sole discretion; to reject the assignment of any Individual who it deems fails to satisfy the criteria for Qualified Agency Employee.

2.3 Availability. Agency agrees to have Agency Employee(s) available for EGUSD twenty-four (24) hours per day, seven (7) days per week. Agency's obligation to provide requested Agency Employee(s) is limited by the availability to Agency of Qualified Agency Employee who are ready, willing and able to accept a EGUSD assignment.

2.4 Work Reduction- N/A

2.5 Patient Care. Pursuant to Section 70711 of Title 22, Agency understands and agrees that Hospital, with its Medical Staff, retains professional and administrative responsibility for Services rendered to Hospital patients. Further, Agency shall conduct its activities in providing Services hereunder consistent with relevant law and regulation, the Medical Staff Bylaws, the Medical Staff Rules and Regulations, Hospital policy and procedures, Title 22, the standards and requirements under the Joint Commission for Accreditation of Healthcare Organizations, professional standards, Hospital philosophy and values. The parties understand and agree that this provision is intended to fulfill requirements of Joint Commission and state law and is not intended to modify the independent contractor relationship nor mutual indemnification requirements between the parties herein.

ARTICLE III

QUALIFICATIONS

3.1 Agency Qualifications. Agency shall meet the following qualifications:

3.1.1 Licensure. Agency must maintain licensure in good standing as a health care support organization pursuant to any applicable federal laws and the laws of the state of Nevada;

3.1.2 Warranty. Agency must warrant at all times during the effectiveness of this Agreement that Agency Employees who provide services to Hospital pursuant to this Agreement shall be educated, trained, and licensed to provide the requested services as well as meet the general employee and other requirements of Hospital and as set forth herein:

3.1.3 Quality Assurance/Peer Review. Agency shall accept responsibility for and maintain an active quality assurance/peer review program, which meets Joint Commission requirements, for its employees and the services they provide to Hospital. Further, Agency agrees to provide Hospital with documentation evidencing

such activities upon reasonable request;

3.1.4 OSHA Compliance. To comply with OSHA regulations concerning Occupational Exposure to Bloodborne Pathogens, Agency shall have the following in effect:

3.1.4.1 Exposure Determination. Record of Agency Employees having or likely to have direct exposure to blood/other potentially infectious fluids.

3.1.4.2 Training and Education. Of Employees Record of employees participation in an education and training program upon orientation and annually thereafter. The training program shall contain the following elements:

3.1.4.2.1 Explanation of epidemiology, clinical presentation, modes of transmission of HBV/HIV;

3.1.4.2.2 Information on HBV vaccine, efficacy, safety and benefits;

3.1.4.2.3 Explanation of use and limitations of methods of control which may prevent/reduce exposure, including the universal precautions, personal protective equipment, and work practices;

3.1.4.2.4 Infectious waste handling and disposal;

3.1.4.2.5 Explanation of Biohazard/biological hazard symbol and color-coded systems for identification of biological hazard; and

3.1.4.2.6 Explanation of procedure to follow if an exposure incident occurs and available medical follow-up.

3.1.4.3 Hepatitis B Vaccine: Record of Agency Employee vaccination or declination of HBV vaccine.

3.2 Qualified Agency Employee Qualifications. All individuals providing services pursuant to this Agreement shall meet the following Qualified Agency Employee qualifications:

3.2.1 Licensure and Experience. All individuals providing services pursuant to this Agreement shall be licensed or certified, as appropriate, to provide the services described herein. And preferably have at least one (1) year of prior work experience in a United States hospital in the specialty area to which they would be assigned at Hospital;

3.2.2 CPR Certification. All individuals providing services pursuant to this Agreement shall be certified with respect to providing cardiopulmonary resuscitation (CPR);

3.2.3 Health Examination and Immunizations. Agency shall provide Hospital with proof of Immunization, health examinations, and tests required by Hospital, including but not limited to health examination (required annually), Tuberculosis

screening (required annually), Hepatitis B or declination statement and Varicella history for individuals providing services pursuant to this Agreement.

3.2.4 Non-Employee of EGUSD. Individuals providing services pursuant to this Agreement shall not be hospital employees presently and shall not have been for twelve (6) months previous to the time when services are provided.

3.2.5 Standard of Care. Individuals shall be qualified for provision of services pursuant to this Agreement only in the event that they provide care consistent with the scope of their individual licensure, the scope of their individual training and education and consistent with EGUSD policy and procedure, rules and regulations, and directions of EGUSD staff.

3.2.6 Confidentiality. Individuals providing services pursuant to this Agreement shall maintain the confidentiality of all information and medical records associated with patient care at EGUSD as well as maintaining the confidentiality of any quality assurance/peer review activities which they participate in or learn of regarding EGUSD.

3.2.7 Additional Qualifications. Individuals providing services pursuant to this Agreement shall at all times provide services in a manner consistent with relevant law, regulation, accreditation standards, professional standards, EGUSD policy and procedure, and EGUSD philosophy and values. Further, such individuals shall at all times provide services in a manner consistent with relevant standards for such services, including but not limited to those within Title 22, Joint Commission for Accreditation of Health care Organizations, Medicare regulations, and the standards of practice for allied health professionals.

ARTICLE IV

AGENCY HIRING, EVALUATION, AND DISCIPLINE OF AGENCY EMPLOYEE(S)

4.1 Skills Test. EGUSD may, in its sole discretion, require Agency Employees to take Hospital's medication and clinical skills test if applicable. All Agency Employees are subject to approval by EGUSD prior to placement. Agency Employees will professionally, ethically and diligently carry out their responsibilities hereunder in order to serve the best interest of EGUSD and EGUSDs students.

4.2 Screening. All Agency Employees supplied by Agency shall be appropriately screened by Agency in accordance with the terms of this Agreement and policies and procedures consistent with the then-current published standards of the Joint Commission on Accreditation of Health care Organizations.

4.3 Non-Discrimination. Agency shall not unlawfully discriminate against its employees, contractors, staff or agents and will fully comply with any and all applicable local, state and federal anti-discrimination and employment-related regulations, statutes and judicial decisions. In the event that any court, enforcement agency, government entity arbitrator or other adjudicator finds for purposes of employment discrimination liability that Agency Employees are joint employees of Agency and EGUSD, Agency

shall pay the costs of EGUSD's legal defense and fully indemnify hospital against any and all legal claims asserted against EGUSD or EGUSD's employees, that are predicated in any manner on such a finding of joint employment per the terms of all the indemnification provisions of this Agreement.

4.4 Documentation. The following documentation must be available to EGUSD by Agency, or Agency must cause Agency Employees to provide, for all Agency Employees:

(a) Proof of current original licensure and appropriate certification in the state of California.

(b) Proof of a minimum of one (1) year preferred experience (including agency experience) in a school setting within three (3) years of assignment to EGUSD.

(c) Proof of current/valid CPR certification.

(d) Proof of annual in-service education in fire, safety, and infection control. (Wages for time spent in all in-service education required under this Agreement re at the sole expense of Agency and shall not be charged to EGUSD)

(e) Proof of compliance with applicable immigration laws and maintenance of current 1-9 documentation.

(f) Minimum of two (2) professional references (on file at Agency and available for Hospital review upon request).

(g) Copies of each category exam and the acceptable passing scores for such exams.

(h) Agency Employee(s) must be able to speak, write and read the English language sufficiently to communicate with patients and staff and to complete required documentation.

(i) Each Agency Employee(s) shall present upon arrival at EGUSD and wear, if required, a photograph identification supplied by Agency or such Agency Employee shall be deemed "not qualified" under the terms of this Agreement.

(j) Negative 10 panel drug screen within the last 12 months

(k) OIG Exclusions verification

4.5 Dress Code. EGUSD shall communicate its dress code requirements to Agency. Agency Employees assigned to EGUSD must comply with these requirements or they shall be considered as failing to satisfy the criteria for A Qualified Agency Employee under the terms of this Agreement

4.6 Evaluation. At the request of the EGUSD, Agency shall make available a legible copy of the most recent performance evaluation of the Agency Employee assigned to EGUSD.

4.7 Investigation of Complaint. Agency shall immediately investigate any complaint against Agency Employee received by Agency or EGUSD or made by EGUSD. A written report, stating the investigative findings and Agency's action, shall be filed with EGUSD within ten (10) working days of the complaint. EGUSD shall have no obligation to pay Agency for time worked by Agency Employee in such time involving misconduct by Agency Employee. For offenses resulting in a state licensing board of investigation, hearing or other proceeding, all investigative and hearing expenses will be borne by Agency. Such investigations shall not involve EGUSD staff, employees, medical staff, volunteers, agents, etc., or records. No permission is hereby granted to

Agency for access to EGUSD records.

4.8 Removal of Qualified Agency Employee. If in the sole discretion of EGUSD, any individual assigned by Agency is incompetent, negligent, or has engaged in misconduct, EGUSD may require such Agency Employee to leave its premises and shall inform Agency of this action immediately. Agency will make every possible effort to replace such person with a qualified Agency Employee.

ARTICLE V

ASSIGNMENTS, TRAINING AND POLICIES AND PROCEDURES

5.1 Assignment: Scope of Services. EGUSD has and retains the sole discretion to assign duties, shifts, units, assignment, etc., to Agency Employee(s) during hours worked at EGUSD. Agency shall cooperate and assist Hospital in coordinating requests for service and scheduling of Agency Employees for service pursuant to this Agreement. Services rendered by Agency Employee(s) at EGUSD shall include normal duties for defined in the general job description of the Agency Employee in a EGUSD setting, direct patient care, documentation of such care, and communication and reporting to the other team members with respect to such patient care.

5.2 Reassignment. Agency Employee(s) initially requested for a particular area may be reassigned to other areas by EGUSD after arriving at EGUSD or at any time while working at EGUSD, subject to Agency Employee(s) professional qualifications. If Agency Employee(s) refuses an assignment and Agency Employee(s) has not commenced work, EGUSD shall not owe Agency any amounts in connection with said Agency Employee(s). If Agency Employee(s) refuses an assignment after commencing work, EGUSD shall owe Agency amounts only for actual hours worked by Agency Employee(s) and shall not owe any penalties or other fees as a result of any termination of Agency Employee(s) assignment.

5.3. Compliance with Law. While working at EGUSD, Agency Employee(s) must comply with all applicable state and federal laws and regulations (including Title 22), Joint Commission standards and with all EGUSD policies and procedures.

5.4 Orientation. Orientation is required by EGUSD and will entail a review of EGUSD's policies, procedures and equipment. Orientation will be waived for Agency Employee(s) who can show proof of working at the facility within the previous year or at the EGUSD discretion.

ARTICLE VI

EMPLOYMENT STATUS OF AGENCY EMPLOYEE(S)

6.1 Employment Status. Agency Employee(s) assigned by Agency to EGUSD under this Agreement are employees of Agency and are not employees or agents of EGUSD.

6.2 Employer Responsibility. Agency has, retains and will continue to bear sole, exclusive and total legal responsibility as the employer of Agency Employee(s). This responsibility shall include, but not be limited to, the obligation to ensure full compliance with and satisfaction of:

- a. All state and federal payroll, income and unemployment tax requirements
- b. All state and federal wage and hour requirements;
- c. All Workers' Compensation Insurance requirements; and
- d. All other applicable state and federal employment law requirements arising from Agency's employment of Agency Employee(s), the assignment of Agency Employee(s) to EGUSD and/or the actual work of Agency Employee(s) at EGUSD.

6.3 Indemnification. Agency agrees to hold EGUSD harmless, pay the entire costs of EGUSD's legal defense and fully indemnify EGUSD against any and all legal claims asserted against EGUSD or EGUSD's employees, and/or liabilities imposed against EGUSD or EGUSD's employees, that are predicated in any matter on a finding by any court, enforcement agency, government entity, arbitrator or the adjudicator that Agency Employee(s) are joint employees of Agency and EGUSD.

ARTICLE VII

FEES AND INVOICING

7.1 Amount of Compensation. Rates charged to the EGUSD for each category of Agency Employee are listed in Exhibit A. These rates represent the entire rate to be charged to Hospital for Agency Employees and are not subject to adjustment for any reason, including but not limited to, overtime, premium pay, differentials, travel housing, etc.

7.2 Billing. Agency shall provide EGUSD with an itemized statement with respect to services rendered in the previous work week. Should EGUSD not provide specific, written instructions for billing statements, all invoices shall be serially numbered and shall contain the following information by specific EGUSD:

- a. Agency Employees name
- b. Week ending date of applicable work week
- c. Total hours worked
- d. Hourly rate
- e. Total charge
- f. Additional charges identified

Holiday rates listed on the rate schedule (Exhibit A) shall be applicable on the following holidays only:

7.3 Manner of Payment. EGUSD reserves the right to correct errors on invoices or bills and pay to Agency only corrected amounts, and EGUSD shall not be charged any penalties, interest, late fees, etc., on amounts deducted in good faith from any invoice. EGUSD shall pay to Agency undisputed amounts consistent with the billing statement provided by Agency as above. Such payment shall be made by EGUSD within thirty (30) calendar days of remittance of the billing statement referred to in Section 8.2 above. Such payment shall constitute compensation in full for services, travel reimbursement, meals and incidentals, lodging expenses, and any and all service expenses rendered pursuant to this Agreement. A charge in the amount of (1.5%) per full week or partial week, compounded on any outstanding balance shall be made on any and all amounts(s) past due.

7.4 Binding Agreement. Any assignees, successors or holders of Agency interest under this Agreement shall be bound by the terms of this Agreement in full, including Section 7.3 above.

ARTICLE XIII

INSURANCE

8.1 Insurance. Agency shall purchase and maintain during the duration of this Agreement and after the expiration of this Agreement as provided below. the following insurance coverage:

(a) Workers' Compensation. Workers Compensation and employer's liability coverage for Agency's legal and statutory obligations for damages due to bodily injuries either by accident or disease, occurring to Agency's employees, agents or servants as a result of employment.

(b) General Liability Insurance. General liability covering Agency, its agents, employees, and servants for bodily injury, personal injury, or property damage claims arising out of the premises, products or activities of Agency. Minimum limits of liability for the above coverage shall be two million dollars (\$2,000,000) per occurrence and four million dollars (\$4,000,000) in the aggregate for bodily injury and property damage.

(c) Professional Liability Insurance. Professional liability covering Agency, its agents, employees, and servants for bodily injury and personal injury claims of patients arising out of the rendering or failure to render care by Agency Employee(s), Agency or its agents, employees, and servants. Minimum limits of liability shall be two million dollars (\$2,000,000) per occurrence and four million dollars (\$4,000,000) in the aggregate. In the event such coverage is through a "claims made" policy and is either canceled, replaced or nonrenewed, Agency shall obtain and maintain extended coverage ("tail") insurance covering occurrences during the effective period of this Agreement.

(d) Unemployment Insurance. Unemployment insurance as required by law for all employees.

(e) Automobile Insurance. Automobile liability if Agency provides personnel for home visits covering Agency, its agents, employees, or servants for property damage and bodily injury claims of the public arising out of the ownership, maintenance, or use of vehicle, either owned, nonowned or hired. Minimum limits of liability for the above coverage shall be one million dollars (\$1,000,000) per occurrence and three million dollars (\$3,000,000) in the aggregate. This coverage may be provided under Agency's general liability policy.

The policies required herein shall provide for written notice to EGUSD at least thirty (30) days prior to the cancellation or modification of any above-mentioned insurance. Further, Agency shall provide EGUSD with certificates of insurance as evidence that all coverage required under this Agreement have been obtained and are in full force and effect. EGUSD shall be named on all policies required under this Agreement as an additional insured per the requirements of this Agreement. Certificates of insurance must be supplied within five (5) days of effective date of this Agreement or the effective date of any renewal period of this Agreement. Such policies and the insurers there under shall be subject to reasonable and good faith approval by EGUSD.

ARTICLE IX

TERM AND TERMINATION

9.1 Term. This Agreement shall be effective for a term of one (1) year from the date of execution and will automatically renew every year thereafter.

9.2 Termination. This Agreement may be terminated by either party, at any time, for any reason, upon thirty (30) days' written notice to the other party.

ARTICLE X

RELATIONSHIP OF THE PARTIES

10.1 Independent Contractor Status. In the performance of the work, duties and obligations under this Agreement, it is mutually understood and agreed that Agency and the Agency Employees it employs are at all times acting and performing as independent contractors. Further, nothing in this Agreement is intended nor shall be construed to create between EGUSD, Agency, and Agency Employees providing services pursuant to this Agreement an employer/employee relationship, a joint venture relationship, or a lease or landlord/tenant relationship. Therefore, the parties understand and agree that EGUSD is not responsible in any way, directly or indirectly, for any employment-related benefits for Agency or its employees. Such benefits not covered include, but are not limited to, salaries, vacation time, sick leave, disability leave, Workers' Compensation, Social Security, or health benefits. The sole interest and responsibility of Hospital is to assure that the services covered by this Agreement shall

be performed and rendered in a competent, efficient and satisfactory manner. In that regard, Agency and Agency Employees shall abide by appropriate bylaws, rules, regulations, policies and procedures of EGUSD.

10.1.1 Subcontractors. Agency will not enter into subcontractor agreements to fill EGUSD staffing needs.

10.2 Non-Exclusivity. It is understood that the arrangement between the parties to this Agreement does not in any way constitute an exclusive arrangement. Further, it is understood by the parties to this Agreement that the EGUSD may contract with other agencies or entities for the provision of similar services.

10.3 Indemnification. Agency shall save and hold EGUSD harmless from and against and shall indemnify EGUSD for any liability, loss, cost, expense or damage whatsoever caused by reason of any injury sustained by any person or to property by reason of any act, neglect, default or omission of Agency or any of its agents, subcontractors, employees or other representatives. If EGUSD is sued in any court for damages by reason of any of the acts of Agency, its agents, subcontractors, employees or other representatives referred to in this section, Agency shall defend said action (or cause same to be defended) at its own expense and shall pay any discharge and any judgment that may be rendered in any such action. If Agency fails or neglects to so defend said action, EGUSD may defend the same and any expenses, including reasonable attorneys' fees, which EGUSD may pay or incur in defending said action and the amount of any judgment which EGUSD may be required to pay shall be promptly reimbursed by Agency upon demand.

10.4 Records.

10.4.1 Ownership of Patient Care Records. Agency understands and agrees that all records associated with the provision of services pursuant to the terms of this Agreement are the sole property of EGUSD.

10.4.2 Retention of Records. For the purpose of implementing Section 1861(b)(1)(I) of the Social Security Act, as amended, and any regulations thereto, the parties agree to comply with the following statutory requirements governing the maintenance and documentation to verify the cost of services rendered pursuant to this Agreement:

(a) Until the expiration of four years after the furnishing of such services pursuant to this Agreement, the parties shall make available, upon written request to the Secretary or upon request to the Comptroller General, or any of their duly authorized representatives, the contract, books, documents, and records of the parties that are necessary to certify the nature and extent of such costs, and

(b) If either party carries out any of the duties of the contract through a subcontract with a value or cost of \$10,000 or more over a twelve-month period, with a related organization, such subcontract shall contain a clause to the effect that until the expiration of four years after the furnishing of such services pursuant to such subcontract, a related organization shall make available, upon written request to the Secretary, or upon request to the Comptroller General, or any of their duly authorized representatives, the subcontract, books, documents and records of such

organization that are necessary to verify the nature and extent of such costs.

10.5 Compliance. It is acknowledged that the Corporate Responsibility Program applies to the services and obligations described herein. This program is intended to prevent compliance concerns such as fraud, abuse, false claims, excess private benefit and inappropriate referrals. This compliance program requires and it is hereby agreed that any regulatory compliance concerns shall be promptly reported either to an appropriate manager or through the hotline (800 953 0508). Further, it is represented and warranted that all individuals providing service hereunder shall not at any time have been sanctioned by a health care regulatory agency and, finally, that investigatory activity relevant to this organization shall be promptly reported to an organization manager or via the hotline (as above). Failure to abide by these compliance requirements shall immediately and automatically terminate this Agreement.

HIPAA Compliance. To the extent necessary for Contractor to perform the Services, Contractor shall fully comply and ensure EGUSD compliance relative to the services provided hereunder with all applicable regulations relating to the Health Insurance Portability and Accountability Act ("HIPAA"), as it may be amended and interpreted from time to time, in accordance with EGUSD's written notification and guidance given to Contractor regarding the interpretation of such applicable regulations. Notwithstanding the foregoing, if any amendments, changes or modifications to any regulations relating to HIPAA result in any changes, such changes shall be implemented and incorporated into this Agreement by way of amendment, as provided for herein. Failure to abide by these HIPAA regulations shall be cause for termination of this agreement.

10.6 Other Records. At any time during or after the term of this Agreement, all books, documents, and records of Agency relating to Agency's performance under this Agreement, including without limitation all federal, state, and local tax withholding and other filings and records related to Workers' Compensation, shall be available for reasonable inspection at any time during Agency's normal business hours.

During the term of this Agreement, EGUSD shall have the right to audit Agency hiring, personnel or employment records, including employee personnel files (subject to state laws governing employee personnel files) at any time during Agency's normal business hours.

ARTICLE XI

GENERAL PROVISIONS

11.1 Amendments. This Agreement may be amended, but only by a written document, dated and executed by both parties' authorized representatives and attached hereto. The parties agree to amend this Agreement to the extent reasonably necessary should the EGUSD to comply with its tax-exempt bond obligations and covenants, to maintain its tax-exempt status and to Qualify for tax-exempt financing.

11.2 Assignment. Neither party to this Agreement shall assign its rights or

delegate its duties under this Agreement without the prior written consent of the other party, such consent not to be unreasonably withheld. However, it is understood that EGUSD may assign to its corporate affiliates without necessity of the prior written consent as above. Further, it is understood that in the event that either party so assigns its rights or delegates its duties, that party shall nonetheless remain responsible for satisfaction of all obligations included within this Agreement.

11.3 Attorneys. If legal action is commenced to enforce this Agreement, the prevailing party in such action shall be entitled to recover its costs and reasonable attorneys' fees in addition to any other relief granted.

11.4 Counterparts. This Agreement may be executed in as many counterparts as may be deemed necessary or convenient, and by the different parties hereto on separate counterparts, each of which when so executed shall be deemed an original, but all such counterparts shall constitute but one and the same instrument.

11.5 Entire Agreement. This Agreement contains the complete and full agreement between the parties with respect to the subject matter hereof and no modification of, or agreement to modify, any of the said terms and conditions shall be binding upon either party unless made in writing and signed by the parties' authorized representatives. This Agreement shall supersede all other agreements relative to the subject matter hereof by and between the parties.

11.6 Notices. Any and all notices permitted or required by this Agreement shall be deemed to have been duly given if mailed by United States registered or certified mail, addressed as below:

EGUSD: Elk Grove Unified School District
9510 Elk Grove-Florin Road
Elk Grove, CA 95624

Agency: Valley Healthcare Systems, Inc.
1401 El Camino Ave #510
Sacramento CA 95815
Attention: Todd Hollander

11.7 Severability. Any term or provision of this Agreement which is invalid or unenforceable by virtue of any statute, ordinance, court order, final administrative action or otherwise, shall be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement.

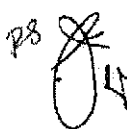
11.8 State Law. This Agreement shall be interpreted in accordance with the laws of the state of California.

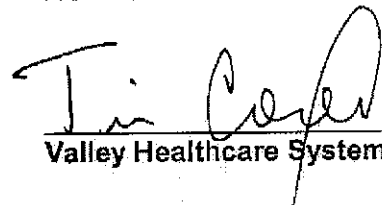
11.9 Medicare & Medicaid Fraud Representation. Each Party represents that it is not currently under investigation or debarred by any state or federal governmental agency for Medicare or Medicaid fraud. Further, each Party represents that to the best of its reasonable knowledge its currently practicing staff (to include all employed staff and contracted staff) are not under sanction by a state or federal governmental agency, that its Staff are not currently excluded from participating in the Medicare or Medicaid programs, and that no such proceeding is pending. In the event an investigation of a Party is initiated by any state or federal governmental agency, or it is discovered that the representations contained herein are false, the non-breaching Party reserves the right to immediately terminate this Agreement. It is understood and agreed to by the Parties that the ability to verify if any Staff are currently debarred is dependent upon the accuracy of the information contained on the OIG list of excluded persons and the representations of each individual staff.

THIS AGREEMENT is entered into on the date set forth in the preamble.

EGUSD

AGENCY

PS  Rick Z 5/16/13
Elk Grove Unified School District


Valley Healthcare Systems, Inc.

Tim Coxen

President

MR 10
2/15/13

ADDENDUM "A"
HOURLY RATE SCHEDULE
Travel

Classification	Hourly Bill Rate
RN	\$51
LVN	\$38
C.N.A	\$25
PT	\$67
OT	\$67
SLP	\$75

1.

Overtime. EGUSD will be invoiced one and one-half (1.5) times the rate set forth above for Healthcare Professionals for all hours worked in excess of 8 hours per day and/or forty (40) hours per week and in accordance with state and federal wage and hour laws.

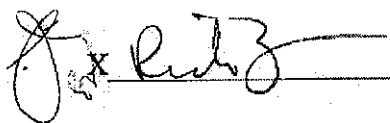
2. Holidays. EGUSD will pay one and one-half (1.5) times the regular rate set forth above for time worked by Healthcare Professionals in accordance with Holiday Schedule set forth by Hospital. A holiday shift will begin at 11pm the eve of the holiday and end at 11pm the day of the holiday.

3. Contract to Hire- School can hire Agency's employee at the completion of 860 hours' work with no conversion fee.

Elk Grove Unified School District

Valley Healthcare Systems Inc

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 5/14/13

Printed Name Rich Fagan

x 

Printed Name Tim Coxen

WRK
2/10/13

Attachment to Agenda Item

October 15, 2013
Board Meeting

**Agenda Item
8**

Independent Analysis and Evaluation of the CSEA's Budget Review

**Presented by: Maureen Evans, Vice President
School Services of California, Inc.
October 15, 2013**

1

Purpose

- The District requested that School Services of California, Inc., (SSC) provide Elk Grove Unified School District (District) with an independent analysis and evaluation of the Budget Review prepared by the California School Employees Association's (CSEA's) Research Department (Elk Grove #831), dated May 6, 2013
- The District wanted to ensure it performed its due diligence in reviewing the report by contracting with an independent firm that has expertise in California K-12 school finance



Scope and Methodology

- Conducted interviews with District Office administrators
- Reviewed documents provided by the District, including:
 - | 2010-11 | 2011-12 |
|-------------------------|-------------------------|
| – Adopted Budget | – Adopted Budget |
| – First Interim Report | – First Interim Report |
| – Second Interim Report | – Second Interim Report |
| – Unaudited Actuals | – Unaudited Actuals |
- Reviewed CSEA's data, comments regarding the data, and the prepared statement read at the Board meeting in May 2013

Budget – Revenues and Expenditures

- CSEA reviewed only the District's Adopted Budget and Unaudited Actuals for 2010-11 and 2011-12
- The review did not take into account:
 - The assumptions used to adopt the budget
 - The changes to the budget that occurred through the year
 - The Interim reports or the adjustments made to the budget when actual revenues and expenditures in a fiscal year were known
- Our independent review of the 2010-11 and 2011-12 budgets confirm that the District used the May Revision factors to develop its budgets in both fiscal years
 - This is a best practice for budget adoption

4

Budget – Revenues and Expenditures, 2010-11 “What Changed?”

- When the District adopted its 2010-11 budget in June 2010, the Governor's proposal was to apply an additional deficit factor to the undeficit base revenue limit of 3.85% and a negative cost-of-living adjustment (COLA) of -0.39%
- When the State Budget was finally enacted in October 2010 (almost four months after the District was required to adopt its budget), the Budget deal eliminated the effects of the -0.39% COLA by lowering the deficit factor and eliminated the \$1.5 billion ongoing revenue limit cut (i.e., the 3.85% revenue limit reduction)
- For unified districts with the average revenue limit, the gain was approximately \$275 per average daily attendance (ADA) above the Governor's May Revision



5

Budget – Revenues and Expenditures, 2010-11 “What Changed?”

- The end result is that the District found out almost midyear that it was going to receive approximately 5.00% (\$15 million) more in revenue than it appropriately planned for using the best assumptions based on the May Revision
- Adjustments to revenues were made and reflected in the District's First and Second Interim reports



6

Budget – Revenues and Expenditures, 2011-12
“What Changed?”

- In 2011-12, the state once again provided school agencies with fiscal uncertainty for planning purposes
- When the District developed its budget for 2011-12, the Budget Act provided, if state revenues fell short of projections, trigger reductions of approximately \$260 per ADA for unified districts
- In the end, the final cut to districts for that year ended up being about \$55 per ADA
- Adjustments to revenues and expenditures were made and reflected in the District's First and Second Interim reports

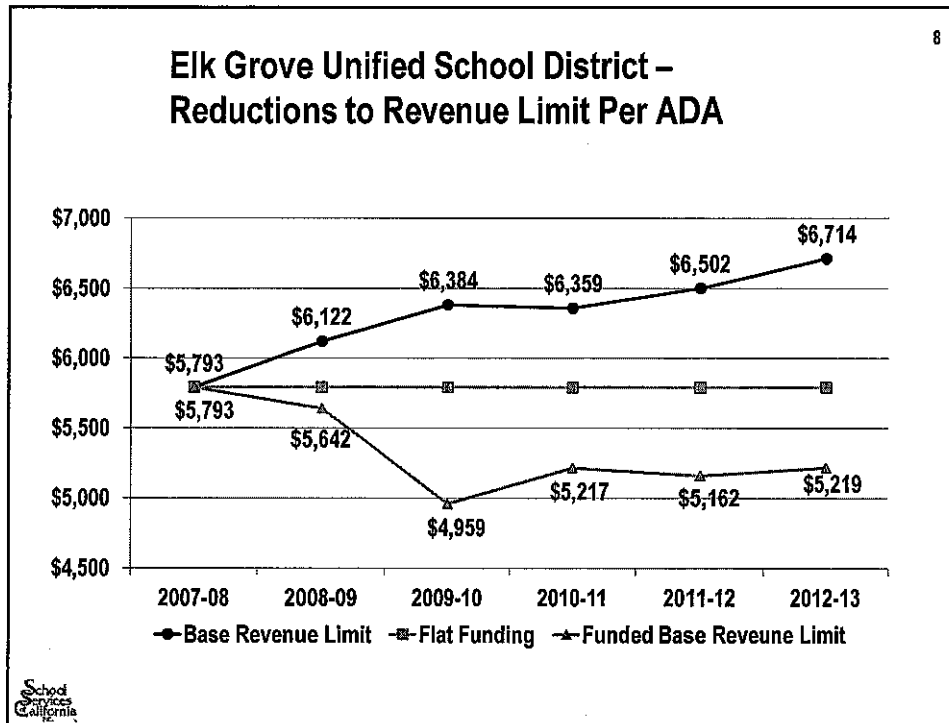


7

Maintaining Fiscal Solvency in the Worst Recession
Since the Great Depression

- The District has been proactive in managing its fiscal solvency and has reduced all areas of the expenditure budget by approximately \$110 million since 2008-09
- The Governing Board and District leadership should be commended for the decisions made and executed during these difficult economic times
- The evidence is clear as it relates to the state-imposed cuts to school district revenues over the past five years
- Since that time, and during the time period of the CSEA's review, districts continued to have revenues cut, and received only 77¢ to 80¢ on the dollar, during the worst economic recession since the Great Depression





9

Ending Fund Balances

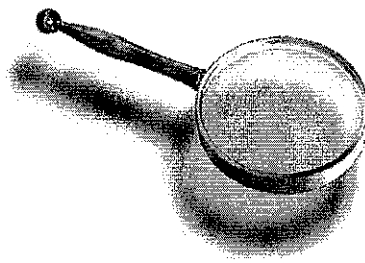
- CSEA's review looked at the District's budget in June (Adopted) and in September (Unaudited Actuals)
- The review did not:
 - Account for changes in the budget due to economic changes at the state level or adjustments made from one year to the next due to carryover balances
 - Consider legally restricted balances that can only be used in accordance with the requirements of the entitlement or grant award
 - Account for fund balance assignments that include one-time funds and other components of the fund balance
- CSEA's conclusion combined unrestricted and restricted fund balances together in order to assert the District had a fund balance of more than \$83 million

School Services California, Inc.

10

What to Consider in a Review of the Ending Fund Balance

- Restricted fund balances legally cannot be used for any purpose other than the legal purpose for which it's intended
- When reviewing a District's budget for fiscal solvency and the minimum required reserve for economic uncertainty, the state only considers unrestricted fund balances for this calculation



School
Services
California

11

What to Consider in a Review of the Ending Fund Balance

- When the District closed its financial books in the 2011-12 fiscal year, the components of the unrestricted General Fund were comprised mostly of:
 - Other Assignments, \$50.5 million
 - Required Reserve for Economic Uncertainties, \$9.5 million
- The District's ending fund balance is not cash
 - The General Fund's cash, at year-end close, was only \$1.5 million
 - This was only 0.34% of the District's total General Fund expenditures

School
Services
California

12

Unrestricted General Fund Balances – Unified School Districts in California

Unrestricted General Fund, Plus Fund 17 Net Ending Balances, as a Percentage of Total General Fund Expense, Transfers, and Other Uses		
	2010-11	2011-12
Average Unified School District	15.54%	15.44%
Elk Grove Unified School District	10.55%	13.78%

13

Ending Fund Balance

- During these very difficult and volatile economic times, the average unrestricted ending fund balance for unified school districts was 15%
- The District is not unique in the amount of unrestricted reserves
- The District's ending fund balance was below the statewide average for unified school districts in both years reviewed

14

Staying Out of Trouble – Reserves

- There is no such thing as a good budget without a reasonable reserve
- Reserves are the local buffer that allow problems to be solved locally instead of turning to the county office of education (COE) or the state for help
- The state-recommended minimum Reserve for Economic Uncertainties is just that – a minimum number – most districts need more
- Circumstances that call for higher reserves include:
 - Declining enrollment
 - Basic aid districts
 - Rapid enrollment growth
 - Volatile economic times
 - Opening or closing schools
- There are no circumstances that warrant lower reserves
 - Any temporary shortfall should be fixed immediately



15

Conclusion

- The District uses:
 - Best practices in developing and monitoring its budget on an annual basis
 - Accurate data and relevant assumptions to adopt and update its budget
- It would seem illogical that, during this time of state funding cuts, a district's reserves are found to be higher this year than before
 - However, it makes sense when you consider the one-time infusion of federal funds, the cuts in expenditures that have been made, and the actions taken to conserve cash when the state is holding onto cash longer through deferred revenue



Conclusion

- The District successfully navigated through volatile economic times by relying on reserve levels that allowed it to locally manage expenditures without COE or state intervention
- Districts with higher reserves after an economic crisis should not apologize for it
 - It means that the District has been strategic and prudent in managing its fiscal affairs during this very difficult time and is well prepared to handle the bumps in the road still to come



Questions?

Thank you!



Elk Grove Unified School District

INDEPENDENT ANALYSIS AND EVALUATION OF THE BUDGET REVIEW

OCTOBER 10, 2013

Prepared By:

MAUREEN EVANS
VICE PRESIDENT

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Sacramento, CA 95814
(916) 446-7517
FAX (916) 446-2011
www.sscal.com

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October 10, 2013

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www.sscal.com

*An Employee-Owned
Company*

Steven M. Ladd, Ed.D.
Superintendent
Elk Grove Unified School District
9510 Elk Grove-Florin Road
Elk Grove, CA 95624

Dear Dr. Ladd:

Thank you for allowing School Services of California, Inc., (SSC) to provide the Elk Grove Unified School District (District) with an independent analysis and evaluation of the Budget Review prepared by the California School Employees Association's (CSEA's) Research Department (Elk Grove #831), dated May 6, 2013.

The District wanted to ensure it performed its due diligence in reviewing the report by contracting with an independent firm that has expertise in California K-12 school finance, which includes best practices in budgeting and legal requirements applicable to local educational agencies. We are pleased to provide you with the report.

This report contains a review of CSEA's data, comments regarding the data, and the prepared statement read at the Board meeting in May 2013.

We thank you for the confidence you have placed in SSC.

Sincerely,

A handwritten signature in cursive script that reads "Maureen Evans".

MAUREEN EVANS
Vice President



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FINDINGS AND CONCLUSIONS	2
Conclusion	5

About the Review

Purpose

The District requested that School Services of California, Inc., (SSC) provide Elk Grove Unified School District (District) with an independent analysis and evaluation of the Budget Review prepared by the California School Employees Association's (CSEA's) Research Department (Elk Grove #831), dated May 6, 2013.

The District wanted to ensure it performed its due diligence in reviewing the report by contracting with an independent firm that has expertise in California K-12 school finance, which includes best practices in budgeting and legal requirements applicable to local educational agencies.

Methodology

As part of the review, SSC conducted interviews with District Office administrators, including budget personnel, to discuss the budget development and monitoring process, as well as assumptions used for the adopted budget and interim reporting periods.

SSC also reviewed documents provided by the District, including:

- ✦ Adopted Budget, 2010-11
- ✦ First Interim Report, 2010-11
- ✦ Second Interim Report, 2010-11
- ✦ Unaudited Actuals, 2010-11
- ✦ Adopted Budget, 2011-12
- ✦ First Interim Report, 2011-12
- ✦ Second Interim Report, 2011-12
- ✦ Unaudited Actuals, 2011-12

A thorough review of CSEA's data, comments regarding the data, and the prepared statement read at the Board meeting in May 2013, was completed and resulted in the findings and conclusions section of this review.

Findings and Conclusions

Average Daily Attendance (ADA)

CSEA reviewed the District's budgeted and actual ADA in fiscal years 2010-11 and 2011-12 and recognized the District accurately accounts for and projects its ADA. The District actively monitors enrollment and attendance to ensure students are in school.

Budget—Revenues and Expenditures

CSEA's review of the District's 2010-11 and 2011-12 budgets only reviewed the District's Adopted Budget and Unaudited Actuals. The review did not take into account the assumptions used to adopt the budget, as well as the changes to the budget that occurred through the year.

A budget is not a static document. Changes to revenues and expenditures occur throughout the budget cycle due to state-influenced factors—both positive and negative—and local factors based on Board priorities, staffing needs, program changes, unforeseen circumstances, and more. The District updates its working budget on a monthly basis. In addition to the state-required Adopted Budget, the District prepares interim reports in December, the First Interim report, and in March, the Second Interim report. The First and Second interim reports reflect changes in revenues and expenditures as the fiscal year progresses. The CSEA review did not consider any of these reports or the adjustments made to the budget when actual revenues and expenditures in a fiscal year were known.

The District must adopt its budget in June—prior to the start of the fiscal year and enactment of the State Budget. Assumptions used to adopt the budget are based on the best information the District has regarding state and local factors that impact the budget. The Governor's May Revision determines the revenue factors included in the District's budget. Our independent review of the 2010-11 and 2011-12 budgets confirm that the District used the May Revision factors to develop its budgets in both fiscal years.

In order to understand the District's assumptions used to adopt its budget, a little history is in order:

When the District adopted its 2010-11 budget in June 2010, the Governor's proposal was to apply an additional deficit factor to the undeficit base revenue limit of 3.85% and a negative cost-of-living adjustment (COLA) of -0.39%. When the State Budget was finally enacted in October 2010—almost four months after the District was required to adopt its budget—the Budget deal eliminated the effects of the -0.39% COLA by lowering the deficit factor and eliminated the \$1.5 billion ongoing revenue limit cut (i.e., the 3.85% revenue limit reduction). For unified districts with the average revenue limit, the gain was approximately \$275 per ADA above the Governor's May Revision. The end result is that the District found out almost midyear

that it was going to receive approximately 5.00% (\$15 million) more revenue than it appropriately planned for using the best assumptions based on the May Revision. This midyear adjustment applied to all school districts in the state of California. Adjustments to revenues were made and reflected in the District's First and Second Interim reports.

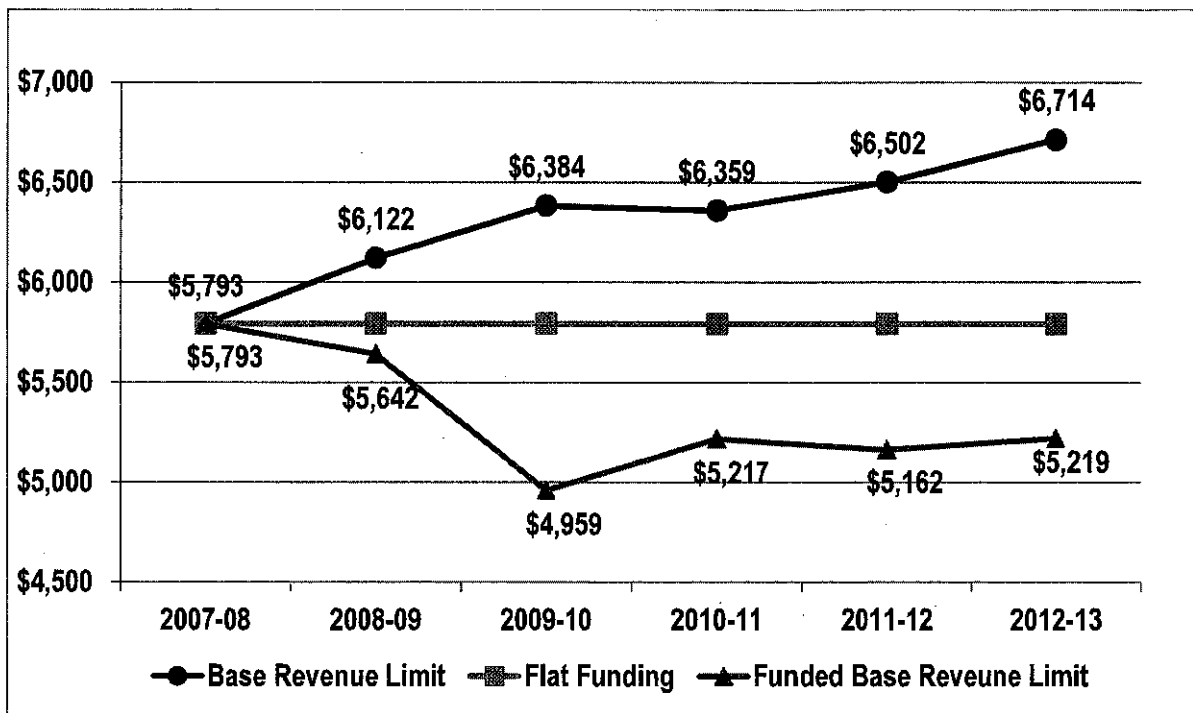
In 2011-12, the state once again provided school agencies with fiscal uncertainty for planning purposes. When the District developed its budget for 2011-12, the Budget Act provided, if state revenues fell short of projections, trigger reductions of approximately \$260 per ADA for unified districts. In the end, the final cut to districts for that year ended up being about \$55 per ADA. Adjustments to revenues and expenditures were made and reflected in the District's First and Second Interim reports. Again, this circumstance happened to all school districts in the state of California.

In past years, this type of volatility and uncertainty drove up ending fund balances statewide. In addition, it is important to remember that through the last half of the 2011-12 fiscal year, school districts were already preparing for another possible significant cut in 2012-13 tied to the November 2012 election and Proposition 30. Although CSEA's review did not include the 2012-13 fiscal year, the District again used best practices in budgeting using the Governor's May Revision, which included the threat of another reduction. Subsequent to the passage of Proposition 30 in November 2012, adjustments to revenues and expenditures were made and reflected in the District's First and Second Interim reports.

The District has been proactive in managing its fiscal solvency and has reduced all areas of the expenditure budget by approximately \$110 million since 2008-09. In CSEA's narrative read by Jim Knox at the Board meeting in May 2013, it was stated that "the District has stockpiled reserves for an economic depression that is nowhere to be seen!"

The evidence is clear as it relates to the state-imposed cuts to school district revenues over the past five years. The graph below demonstrates the last full year school districts received full funding by the state was in 2007-08. Since that time, and during the time period of the CSEA's review, districts continued to have revenues cut, and received 77¢ to 80¢ on the dollars during the worst economic recession since the Great Depression.

Elk Grove Unified School District



Ending Fund Balances

CSEA's review looked at the District's budget in June (Adopted) and in September (Unaudited Actuals). It did not account for changes in the budget due to economic changes at the state level or adjustments made from one year to the next due to carryover balances. Although CSEA separated out unrestricted and restricted revenues and expenditures in its review, regarding fund balances, CSEA's conclusion combined unrestricted and restricted fund balances together in order to assert the District had a fund balance of more than \$83 million. The review did not consider legally restricted balances that can only be used in accordance with the requirements of the entitlement or grant award. The review also did not account for fund balance assignments that include one-time funds and other components of the fund balance.

As part of SSC's review, we analyzed the 2010-11 and 2011-12 average unrestricted general fund balances of unified school districts as compared to the District's fund balances.

The reason we compare only unrestricted fund balances is due to the fact that restricted fund balances legally cannot be used for any purpose other than the legal purpose for which it's intended. Furthermore, when reviewing a District's budget for fiscal solvency and the minimum required reserve for economic uncertainty, the state only considers unrestricted fund balances for this calculation.

When the District closed its financial books in the 2011-12 fiscal year, the components of the unrestricted general fund were comprised mostly of Other Assignments, \$50.5 million, and the required Reserve for Economic Uncertainties, \$9.5 million.

It is important to note that the District's ending fund balance is not cash—the General Fund's cash, at year-end close, was \$1.5 million which was only 0.34% of the District's total General Fund expenditures.

Unrestricted General Fund, Plus Fund 17 Net Ending Balances, as a Percentage of Total General Fund Expense, Transfers, and Other Uses		
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Average Unified School District	15.54%	15.44%
Elk Grove Unified School District	10.55%	13.78%

During these very difficult and volatile economic times, the average unrestricted ending fund balance for unified school districts was 15%. The District is not unique in the amount of unrestricted reserves.

The District's ending fund balance was below the statewide average for unified school districts in both years reviewed.

Conclusion

The District uses best practices in developing and monitoring its budget on an annual basis. It uses accurate data and relevant assumptions to adopt and update its budget.

Although it would seem illogical that, during this time of state funding cuts, a district's reserves are found to be higher this year than before. However, it makes sense when you consider the one-time infusion of federal funds, the cuts in expenditures that have been made, and the actions taken to conserve cash when the state is holding onto cash longer through deferred revenue.

There is no such thing as a good budget without a reasonable reserve. The District successfully navigated through volatile economic times by relying on reserve levels that allowed it to locally manage expenditures without county office of education or state intervention.

Districts with higher reserves after an economic crisis should not apologize for it. It means that the District has been strategic and prudent in managing its fiscal affairs during this very difficult time and is well prepared to handle the bumps in the road still to come.

Revised Agenda Item

October 15, 2013
Board Meeting

**Agenda Item
15**

Agenda Item No. 15

Board Agenda Item

Supplement No. _____

Meeting Date: October 15, 2013

Subject:**Department:** Finance & School Support

Recommendation for health care consultant/insurance broker services

Action Requested:

Approve the Joint Health Care Coalition's (JHCC) recommendation for health care consultant/insurance broker services

Discussion:

As directed by the Board at the September 3, 2013 meeting, the District issued a Request for Proposals (RFP) to hire a health care consultant/insurance broker. The RFP requested a 3 year contract with an option for the District to extend the contract for up to 2 years. The RFP also required a 30 day "without cause" cancellation clause.

The RFP process was reviewed and approved by the JHCC. The interview questions and interview panel members were developed by the JHCC. The interviews were held on October 8, 2013 and the interview panel included one member from each of the employee groups, District health benefits staff members and the District's health benefit consultant. A second round of interviews was not needed.

The four firms that were interviewed included Aon Hewitt, Burnham, Keenan & Associates and EPIC. The recommendation of the interview panel is Keenan and Associates; however each of the firms that were interviewed gave a solid presentation of the services they provide. Keenan and Associates has had a long-standing business relationship with the District to provide health benefits brokerage services. Keenan is very knowledgeable of the District's health benefits history and maintains an excellent working relationship with the provider community. Their services cannot be duplicated with district talent and their experience is extremely valuable as we negotiate renewal rates for the 2014 - 15 year.

Attachment to Follow**Financial Summary:**

\$135,000 paid from unrestricted general fund

Prepared By: Rich FaganDivision Approval: Rich FaganPrepared By: Jennifer BalleriniSuperintendent Approval: Steven M. Ladd, Ed.D.

Revised Agenda Item

October 15, 2013
Board Meeting

**Agenda Item
22**

Agenda Item
No:

22

Board Agenda Item

Supplement No.

Meeting Date:

October 15, 2013

Subject:

Ratification of Contracts

Department:

Fiscal Services

Action Requested:

The Board is asked to ratify contracts which have been signed by authorized district staff, in accordance with Board Policy 3312-Contracts.

Discussion:

Under current Board Policy 3312 "contracts under the bid limits can be approved by the Designated Personnel, subject to Board ratification". Staff recommends that the Board ratify the contracts on the attached sheet, which are under the bid limit of \$83,400 and have been approved by authorized district staff.

Copies of the contracts are on file with Fiscal Services, should you wish to review them in detail.

Financial Summary:

Please see funding information provided on attached schedule.

Prepared By: Carrie Hargis *Carrie Hargis*

Division Approval:

Rich Fagan *Rich Fagan*

Prepared By: _____

Superintendent Approval:

Steven M. Ladd, Ed.D. *SL*

ELK GROVE UNIFIED SCHOOL DISTRICT
Fiscal Services

October 15, 2013 Board of Education Meeting
Agenda Item – Ratification of Contracts
Contracts under bid limit authorized 9/14/13-9/26/13

	Agreement With	Services Provided	Term of Agreement	Department	Funding Source	Amount
1.	Peak Adventures	Teambuilding activities – Laguna Creek High School/Green Energy Technology Academy	9/26/2013	Secondary Education	CDE Partnership Academy Grant	\$4,500
2.	California State University, Sacramento	Classroom instruction, performed by nursing student interns, re: head injury prevention & helmet safety in conjunction with Safe Routes to Schools Program	9/26/2013 – 9/26/2018	Facilities & Planning	No cost	-
*3.	Teen-S-Team+ Concordia Pathways to Leadership Program	After school student leadership training at Valley High School and Samuel Jackman Middle School	10/7/2013 – 6/30/2014	Student Support & Health	SCOE Antibullying Grant	-
4.	Crowe Horwath, LLP	Associated Student Body In-Service Training for Secondary sites	10/22/2013	Finance & School Support	General Fund, Unrestricted	\$2,500
5.	Heart to Heart Performing Arts for Youth	After school dance and drama classes at Charles Mack Elementary School	2013-14 school year	Learning Support Services	After School Education & Safety Grant (ASES)	\$11,160
6.	Sacramento Municipal Utility District (SMUD)	Equipment loan – Solar modules to Valley High School for Northern California Solar Regatta event May 15-16, 2013	9/23/13 – 6/22/2014	Secondary Education	No cost	-
7.	Revolution K12 (RK12)	One year subscription to RK12 All-Access program for every Elk Grove Charter School Student (math suite, CAHSEE programs, Accuplacer math, SAT or ACT on-line)	9/23/2013 – 6/30/2014	Secondary Education	Elk Grove Charter School (Fund 09)	\$6,299

* Memorandum of Understanding.