



FROM THE OFFICE OF THE SUPERINTENDENT
WAYNE BOARD OF EDUCATION
WAYNE, NEW JERSEY

AUGUST 19, 2014

7:00 P.M. Special Meeting
 Wayne Board of Education
 Conference Room
 50 Nellis Drive
 Wayne, NJ 07470

SPECIAL MEETING AGENDA

I. Reading of "Sunshine Law" Statement

Adequate notice of this Regular and Executive Meeting, setting forth time, date and location, has been provided in accordance with the requirements of the Open Public Meetings Act on August 4, 2014 by:

Prominently posting a copy on the bulletin board in the lobby of the offices of the Board of Education, which is a public place reserved for such announcements, transmitting a copy of this notice to The Record, The Wayne Today, and the Municipal Clerk.

II. Roll Call

III. Convene into Executive Session

-RECOMMENDED ACTION:

SX-15-01

WHEREAS, the Wayne Township Board of Education (hereinafter referred to as the "Board") from time to time must convene into Executive Session to discuss confidential matters including but not limited to personnel issues, legal matters, student issues and labor negotiations.

WHEREAS, THE Board has on its agenda for the meeting being held on August 19, 2014 on issues relating to personnel and legal matters which must be discussed in a confidential closed session.

NOW THEREFORE BE IT RESOLVED, the Board shall move into Executive Session to discuss the above referenced matter.

BE IT FURTHER RESOLVED, that the minutes of the executive session will provide as much information as possible without violating any applicable privilege or confidentiality so that the public can understand what was discussed and when available what the Board decision was.

BE IT FURTHER RESOLVED, that the minutes of the executive session will be released to the public in an appropriately redacted form within a reasonable period of time.

BE IT FURTHER RESOLVED, that the redacted portion of the executive session minutes will not be released until such time as the privilege or confidentiality is no longer applicable.

IV. Reconvene

The Executive Session of the Wayne Board of Education Regular Meeting of August 19, 2014 was convened in the Conference Room of the Wayne Board of Education, 50 Nellis Drive, Wayne, NJ 07470.

The Statement of Compliance setting forth time, date and location was read in accordance with the requirements of the Open Public Meetings Act and the roll call was taken. The meeting was recessed and is now being reconvened.

FLAG SALUTE

MOMENT OF SILENCE

V. Administrative Summary Report

PUBLIC BOARD RETREAT

1. Committee Structure:

- Legislative**
- Shared Services**
- Policy**

2. Impact of Affordable Care Act on Substitutes/Dual Positions

3. Kindergarten Feasibility Study Update

4. DISTRICT GOALS

5. BOARD GOALS (Self-Evaluation)

6. Consulting Services

HUMAN RESOURCE:

Approval of Return from Administrative Leave -**RECOMMENDED** SH-15-01
ACTION: that the Board approve the Superintendent's recommendation to approve for the 2014-2015 school year that employee #87968186 be returned from administrative leave effective August 20, 2014.

Approval to Move Item from the Table -**RECOMMENDED** SH-15-02
ACTION: that the Board move from the table Item H-15-31 from the July 31, 2014 Board meeting - Approval of Superintendent Merit.

Approval of Superintendent Merit SH-15-03
-RECOMMENDED ACTION:
 that the Board approve a merit payment to Raymond A. Gonzalez for the achievement of 2013-2014 goals per his approved employment contract in the total amount of \$26,607.25, pending final review of the Executive County Superintendent, as per attached.

SCHOOL RESOURCES:

Approval of Resolution Concerning the SEC Initiative -RECOMMENDED SS-15-01
ACTION: that the Board approve the resolution concerning the Securities and Exchange Commission Municipalities Continuing

Disclosure Cooperative Initiative, as reviewed in the Executive Session, directing the undertaking of a continuing disclosure review and authorizing participation in the Municipalities Continuing Disclosure review and authorizing participation in the Municipalities Continuing Disclosure Cooperation Initiative of the Division of Enforcement of the U.S. Securities and Exchange Commission, as per the attached.

VI. Open to Public

This portion of the meeting is open to citizens for comment on any topic. Residents are to state their names, addresses and subject matter. Comments may be limited to five minutes per person. No member of the public will be permitted to speak negatively about an employee or a student. Comments may be responded to tonight under "new business" or at subsequent meetings under "old business." The Board bears no responsibility for comments made by the public.

VII. Old Business

VIII. New Business

IX. Executive Session

X. Adjournment

Wayne Township Public Schools



District Goals 2014-2015

DRAFT

Presented to Board of Education August 19, 2014

Note: Goals are not presented in any particular order

Sustaining Change	Staff Responsible	Supporting Activity/Timeline	\$ Implications
<p><u>Narrative:</u> The Wayne Township Public Schools, like all public schools in New Jersey, recently underwent a significant change process due to requirements for teacher and principal evaluations, the establishment of student growth objectives and percentiles, a new report card format, and perhaps most significantly, a new curricula based on the Common Core State Standards. In addition, the District moved to new software packages (Oncourse/Aesop/My Learning Plan) and made an effort to increase the use of technology in classrooms. Another mandated change requirement for the upcoming year will involve transitioning to the PARCC (Partnership for the Assessment for Readiness in College and Careers) in most grades.</p> <p><u>Rationale:</u> An organization can only endure a certain amount of change during any given time-period. The 2013-2014 school year was a year of unprecedented change in the Wayne Township Public Schools. While the ability to change and adapt is important for the success of any organization, change can also lead to frustration. While the District adapted to a host of changes, it has not mastered those changes and additional work focused on supporting the staff and building organizational capacity is essential for future success.</p> <p>The goal is to collaboratively develop a written change/implementation plan for the 2014/2015 school year by December of 2014 to address the many change initiatives that are in process and to carry out a variety of professional development activities based on staff needs, noting that PARCC readiness training is an essential part of any plan.</p>	Superintendent, Assistant Superintendent	Evaluate documents and feedback provided by staff regarding initiatives from prior school year (Summer 2014).	None
	Superintendent	Evaluate professional development plans to assure alignment with District needs (Summer 2014).	None
	Superintendent, Assistant Superintendent	Revise format for start of school year (non-student contact days) to allow for additional time for planning and professional development (Summer 2014).	Dependent on format, there will likely be savings to the District in transportation.
	Superintendent, Assistant Superintendent, WEA Superintendent, Assistant Superintendent, Directors, Principals, WEA	Quarterly Progress Meetings to evaluate ongoing initiatives. Provide multiple opportunities for PARCC training for staff. Distribute resources and hold meetings with parents to assist with their understanding of the PARCC (Ongoing)	None Minimal (Cost for additional hours for teachers)

Post Secondary Partnerships	Staff Responsible	Supporting Activity/Timeline	\$ Implications
<p><u>Narrative:</u> Recently, a wave of legislation was introduced in New Jersey regarding a possible requirement for all school districts with high schools to develop post-secondary partnerships to allow for students to earn college credit while still in high school. While such programs are commonplace in county technical schools, there are fewer comprehensive high schools offering these opportunities.</p> <p><u>Rationale:</u> Regardless of future requirements, forming partnerships to allow for advanced study through pre-college programs can be one way for the District to better prepare students for college. It is difficult to imagine how a high school could better prepare students for college than creating opportunities for qualified high school students to complete an actual college class and earn college credit. Creating pre-college programs may also be of great benefit to parents who are naturally concerned with the ever increasing cost of a college education.</p> <p>The goal is to develop programs and formal articulation agreements with local colleges and universities to allow qualified students to earn college credit while still in high school.</p>	<p>Superintendent</p> <p>Superintendent, Assistant Superintendent, Directors, High School Administrators</p> <p>Superintendent, Assistant Superintendent, Directors, High School Administrators, Business Administrator, Board of Education</p>	<p>Meeting with representatives from local colleges and universities to discuss opportunities for partnership (Summer 2014).</p> <p>Hold a meeting to further refine areas of focus for partnerships (Fall 2014).</p> <p>Develop articulation agreements with local colleges and universities (Spring 2015).</p>	<p>None</p> <p>None</p> <p>Costs to students and/or District dependent on articulation agreements.</p>

K-8 Math Assessment	Staff Responsible	Supporting Activity/Timeline	\$ Implications
<p><u>Narrative:</u> The transition to the Common Core State Standards (CCSS) requires school districts to establish a much higher expectation for rigor in mathematics. While districts were required to adopt math curricula in support of the Common Core, funding to allow for new textbooks and other instructional materials was not available in many school districts.</p> <p><u>Rationale:</u> While funding is always an issue, a foreseeable problem exists for students and teachers when students are tested and teacher performance is evaluated when a full array of instructional tools are not available.</p> <p>The goal is to assess the current instructional materials used to the support the elementary and middle school math programs and to then budget and purchase educational materials for students and teachers from kindergarten through eighth grade. A significant program of professional development for teachers must also be a part of the goal as well as an ongoing effort to educate parents about the new program. As a result, a written and collaboratively developed implementation plan will be a second part of the goal to be completed by the close of the 2014-2015 school year.</p>	<p>Superintendent, Director of Elementary Education, Director of Secondary Ed., Principals</p>	<p>Develop a plan for review of textbooks and educational materials in accordance with BOE policy (Fall 2014).</p>	<p>None</p>
	<p>Superintendent, Director of Elementary Education, Teachers, Principals, BOE, Parents</p>	<p>Engage in a comprehensive review process as part of a District committee, selection, and creation of implementation plan (Winter 2015).</p>	<p>None</p>
	<p>Board of Education</p>	<p>Approval of new books, resources, and instructional materials and implementation plan (Winter 2015).</p>	<p>None</p>
	<p>Superintendent, Business Administrator</p>	<p>Budget and purchase of books, resources, instructional materials, and professional development services (June/ July 2015).</p>	<p>Significant in the neighborhood of \$800,000</p>

Least Restrictive Environment Analysis	Staff Responsible	Supporting Activity/Timeline	\$ Implications
<p><u>Narrative:</u> Since 1975, federal law has required that school districts place students with disabilities in the general education setting before any other placements are considered. Researchers have demonstrated a host of benefits that students with disabilities enjoy when placed in a general education setting. In contrast to this standard is the practice of placing students with disabilities in out of district placements, which is generally considered the most restrictive environment because students are rarely exposed to general education programs. At the same time, it is important to recognize that such placements are appropriate for a variety of reasons.</p> <p><u>Rationale:</u> Every school system and their special needs population will benefit by strengthening local programs for students with disabilities.</p> <p>The goal is to develop a needs assessment for students with disabilities attending school in and out of District and to then identify possible ways to better meet student needs locally and in combination with learning opportunities available in general education settings whenever possible. The written assessment will be complete by January of 2015 to allow the District to include special education program enhancements for the 2015-2016 budget process.</p>	Superintendent, Assistant Superintendent, Director of Student Support Services, CST, Teachers	Overall assessment of student placements and local programs for students with disabilities (Fall 2014).	None
	BOE	Approve contract for study (Fall 2014).	Budgeted already at \$7,500
	Superintendent, Director of Student Support Services, CST, Principals, Teachers, Vendor	Identify possible options to strengthen existing programs and to create new programs (Fall 2014).	None
	Superintendent, Director of Student Support, Vendor CST	Write the assessment and include an analysis of costs associated with various plans and budget as needed (Winter 2015). Notify parents of new options in annual review process (Spring 2015).	Included with contract cost None

Professional Development Institute	Staff Responsible	Supporting Activity/Timeline	\$ Implications
<p><u>Narrative:</u> The strength of any excellent school system is a well trained teaching staff. Teachers also need practical training when it comes to technology and software usage. New teachers also require extensive support and additional training well beyond their experience as student teachers.</p> <p><u>Rationale:</u> The District has an obligation to provide excellent professional development opportunities for the staff and centralizing this effort may be of great benefit. Wayne is a large enough district to maintain an almost continuous schedule of training for the employees. A professional development institute is necessary simply to provide great learning experiences for our staff. Due to our size, it may be possible to generate revenue for the District by opening up available seats to other local school districts. Thus, a professional development institute in Wayne could potentially be a cost-effective resource for all of Passaic County. Wayne also has many highly skilled teachers who are widely recognized experts in their areas of work. A professional development institute would be a way to showcase the talents of the staff while providing excellent “home grown” training. A partnership with William Paterson University would allow for additional high quality programs.</p> <p>The goal is to develop a professional development institute within the District facilities, create a schedule of programs, and then share these opportunities with neighboring districts in an effort to create excellent revenue generating professional development programs.</p>	<p>Superintendent, Assistant Superintendent, Dept. Manager of Human Resources, PD Comm, Teachers, WEA, DEAC</p>	<p>Analyze how teachers and staff members in District might deliver training to other staff members using in-house expertise (Summer/Fall 2014).</p>	<p>None</p>
	<p>Superintendent, Assistant Superintendent, Director, Director of Facilities Management</p>	<p>Identify possible locations and costs associated with the development of a dedicated space for delivery of computer based and in-person training programs (Fall 2014).</p>	<p>None</p>
	<p>Assistant Superintendent, Business Administrator</p>	<p>Develop a budget and initial programming for the PD Institute (Fall 2014).</p>	<p>Minimal to Moderate within existing PD budget</p>
	<p>Superintendent, Assistant Superintendent</p>	<p>Create a publication describing programming and costs and distribute to local school districts (Spring 2015).</p>	<p>Minimal</p>

Mobile Technology	Staff Responsible	Supporting Activity/Timeline	\$ Implications
<p><u>Narrative:</u> The average new smart phone has more computing power than most older desktop computers. Mobile technology drives an enormous amount of activity and is a source of great convenience for many people. Many school districts have started to use mobile technology for a variety of purposes.</p> <p><u>Rationale:</u> The Wayne Township Public Schools may be able to harness mobile technology to meet a variety of needs in a very cost effective manner. With the development of Wayne Township Public School apps, the District will be able to share a variety of information to all residents and staff members who download the app for both IOS (Apple) and Android (PC) on their smartphones.</p> <p>The goal is to develop two different apps over the course of the next two school years. The first app will be used for testing and learning about app development and will be created as a human resources app to assist District employees with access to important employment information and for professional development purposes. The second app will be a School District app designed primarily for parents. This app will link our social media accounts, District calendars, District website, and it will enable to push a variety of information to parents and also to distribute emergency information. The District app should be a great aid for busy parents to keep track of school events.</p>	Superintendent, Technology Department	Discuss app with technology department and identify costs involved (Summer 2014).	None
	Superintendent, Business Administrator	Identify and contract with organization to assist with app development (Fall 2014).	Approximately \$2,500
	Superintendent, Manager of Human Resources, WEA	Work with human resources department to identify content for the app and make the content useable in a mobile environment (Winter 2015).	None
	Manager of Human Resources, Assistant Superintendent, WEA	Identify professional development programs that could be delivered using the human resources and develop into a mobile format (Winter 2015).	None
	Superintendent, Director of Human Resources, Vendor	Work to develop app to be delivered by spring 2015.	Included in cost for development
Superintendent	Revise process as needed and plan for a District app development process for 15/16.	Approximately \$2,500	

Leadership Development Program	Staff Responsible	Supporting Activity/Timeline	\$ Implications
<p><u>Narrative:</u> Turnover in leadership can present a challenge in any organization. Organizations can proactively develop solutions by developing a group of qualified in-house leaders by creating active leadership mentoring programs available to qualified candidates.</p> <p><u>Rationale:</u> The Wayne Township Public School District employs hundreds of people who might very well have the capacity to work as future school leaders. By developing a group of talented future leaders, the district may have the ability to easily fill leadership positions. In many districts, critical leadership positions are, in many cases, very difficult to fill and the outcome of any search process is uncertain. Employees who volunteer gain critical experience with a qualified school leader.</p> <p>The goal is to develop a program for teaching assistant principals (TAP). This two-year program is completely voluntary for both principals and teachers and there is no obligation for the District to hire employees who work their way through the program. Each principal can partner with one (TAP) and the partnership can be ended at any time by either party. The TAP must adhere to the program guidelines, primarily that he or she will not miss their regularly assigned duties.</p>	<p>Superintendent, Assistant Superintendent</p>	<p>Develop program guidelines and processes (Fall 2014)</p>	<p>None</p>
	<p>BOE</p>	<p>Approve the program and the processes, guidelines etc. for immediate implementation (Fall 2014).</p>	<p>None</p>
	<p>Superintendent</p>	<p>Share materials with staff and create a TAP web page.</p>	<p>None</p>
	<p>Principals, Eligible Teachers</p>	<p>Work to identify possible TAP partnerships and formally begin work and training.</p>	<p>None</p>
<p>Superintendent, Assistant Superintendent</p>	<p>Deliver periodic leadership seminars for TAP group outside of regular school hours.</p>	<p>None</p>	

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July 30, 2014

Ms. Juanita A. Petty
Business Administrator/
Board Secretary
Wayne Township Public Schools
50 Nellis Drive
Wayne, NJ 07470

Re: Resolution Concerning Securities and Exchange
Commission Municipalities Continuing Disclosure
Cooperation Initiative (the "SEC Initiative")

Dear Ms. Petty:

I have prepared the attached resolution for adoption by the board of education at its next meeting authorizing (1) a review of the accuracy of statements made in official statements for bond or note issues for the last five years concerning the board's compliance with its prior undertakings to provide secondary market disclosure of annual financial information and notice of material events and (2) the participation by the board in the SEC Initiative if the disclosure review finds possible material misstatements concerning secondary market disclosure compliance. For your reference, the SEC Initiative is attached as Exhibit A to the Resolution.

The SEC Initiative is a limited-time amnesty offer which expires midnight September 9, 2014. It is the SEC's response to its belief that municipal bond issuers nationwide have either negligently or intentionally failed to comply with their legal requirements to provide annual financial information and notice of material events, and have routinely misrepresented their prior compliance record in official statements for new debt issues. The SEC discovered instances where issuers affirmatively stated in official statements that they had never failed to provide required information, yet no continuing disclosure information was ever filed. Due to these instances

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and related pronouncements by the SEC, disclosure concerning prior compliance has greatly improved over the last two or three years. Therefore, many critics of the SEC Initiative consider it to be unnecessary, as well as time-consuming, punitive, costly and lacking rules for interpretation.

The SEC Initiative will allow issuers who self-report possible material misstatements concerning past secondary market disclosure to avoid monetary penalties. The non-monetary penalties to be imposed under the SEC Initiative include (i) compliance with a cease and desist order in which the issuer neither admits nor denies the findings of the SEC, (ii) implementation of policies, procedures and training regarding continuing disclosure obligations, (iii) compliance with all existing continuing disclosure undertakings, (iv) cooperation with any further SEC investigation, (v) disclosure of settlement terms in any final official statement issued within five years of the date of institution of the proceedings, and (vi) production to the SEC of a compliance certificate regarding the applicable undertakings on the one year anniversary of the proceedings. The SEC has stated that issuers who fail to take advantage of the SEC Initiative will likely face monetary penalties and harsher settlement terms than stated above. Please note that self-reporting through the SEC Initiative does not automatically result in an SEC action - the SEC will review the filings and determine which reported instances constitute material misstatements requiring the imposition of the settlement terms.

Bond underwriters are also subject to the SEC Initiative. Bond underwriters who self-report will be subject to monetary penalties (\$20,000 or \$60,000 per issue, depending on the size of the issue, with a maximum \$500,000 total penalty per firm). The SEC has stated that it would likely seek higher penalties on underwriters who do not self-report. It is believed that large underwriters will pay the maximum \$500,000 fine and self-report a large percentage of the issues they underwrote due to the \$500,000 cap being significantly less than their potential exposure, and also due to the SEC so far refusing to provide any guidance on what it considers a "material misstatement". Therefore, many parties reviewing disclosure compliance are recommending that even the most technical instances of non-compliance should be reported. Technical instances include late filings of financial information or notices, or failure to properly identify a bond issue on the filing website.

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The SEC Initiative, due to its favorable settlement terms and warnings of harsher penalties for those who do not participate, incentivizes participation by both issuers and underwriters. Further, if an underwriter reports an issue and the issuer does not, the SEC would have a clear path to identify issuers with potential securities law violations. In addition, issuers who fail to self-report non-compliance will likely see the non-compliance disclosed in a future official statement as part of the enhanced due diligence process in today's bond market. This could result in an SEC action on unfavorable terms.

We strongly suggest that you adopt the resolution at your next meeting in order to be able to meet the September 9th deadline for participation in the SEC Initiative. Most public finance professionals in New Jersey believe that well over half the issuers in the State have non-compliance issues and will take advantage of the favorable terms of the SEC Initiative. Most issuers have filed a significant amount of their required information and have acted in good faith, but even the most technical non-compliance could result in an SEC enforcement action on unfavorable terms. Thus, if the board's disclosure review finds non-compliance, we will recommend participation in the SEC Initiative. *

Kindly distribute this cover letter with the resolution to the board of education members. After adoption of the resolution, please email and also mail a certified copy to me. Please contact me if you have any questions or if I can be of further assistance.

Very truly yours,



Steven L. Rogut

SLR:nca
Enclosure

cc: Isabel Machado, Esq.
David J. Gannon, CPA, RMA

SS-15-01

RESOLUTION OF THE BOARD OF EDUCATION OF THE TOWNSHIP OF WAYNE DIRECTING THE UNDERTAKING OF A CONTINUING DISCLOSURE REVIEW AND AUTHORIZING PARTICIPATION IN THE MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION INITIATIVE OF THE DIVISION OF ENFORCEMENT OF THE U.S. SECURITIES AND EXCHANGE COMMISSION

WHEREAS, the Board of Education of the Township of Wayne (the "Board of Education") has entered into continuing disclosure agreement(s) in connection with certain of its prior bond and/or note issuance(s) (the "Prior Issuances"), agreeing to file certain financial information and operating data and/or certain enumerated event notices with the former nationally recognized municipal securities information repositories or the Municipal Securities Rulemaking Board (the "MSRB") pursuant to the provisions of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended (the "Rule"); and

WHEREAS, the Board of Education has made certain representations regarding its continuing disclosures in bond and/or note offering documents in connection with its Prior Issuances; and

WHEREAS, in response to widespread concerns that many municipal issuers have not been complying with their obligations to file continuing disclosure documents under the Rule, and furthermore have made false representations concerning compliance in bond and note offering documents, the Division of Enforcement (the "Division") of the U.S. Securities and Exchange Commission (the "Commission") has set forth its Municipalities Continuing Disclosure Cooperation Initiative (the "MCDC Initiative"), attached hereto as Exhibit A, whereby the Commission will recommend favorable settlement terms to municipal issuers involved in the offer or sale of municipal securities, as well as underwriters of such offerings, if they self-report to the Division, by 12:00 a.m. on September 10, 2014, possible violations involving materially inaccurate statements in bond and note offering documents relating to prior compliance with continuing disclosure obligations pursuant to the Rule; and

WHEREAS, in order to be able to participate in the MCDC Initiative and obtain favorable settlement terms with the SEC, the Board of Education needs to undertake a Review (as hereinafter defined) and authorize participation in the MCDC Initiative, if appropriate, as determined by the facts of the Review;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION, as follows:

Section 1. The Board of Education, through its Business Administrator or a third-party disclosure-dissemination agent, is hereby directed to conduct a continuing disclosure review of its prior continuing disclosure undertakings (the "Review"), and the Board of Education hereby ratifies any such previously conducted Review. Such Review shall include, but is not limited to, a historical review of the Board of Education's continuing disclosure obligations and filings in

connection with its Prior Issuances that are presently outstanding and which are no longer outstanding but, as of the date five years prior to the date of submission of the Questionnaire (as hereinafter defined), were outstanding; and the undertaking, at any time, of any applicable remedial filings with the MSRB deemed necessary for compliance with its continuing disclosure obligations.

Section 2. The Board of Education, through its Business Administrator, is hereby authorized to participate in the MCDC Initiative, if in the discretion of the Business Administrator after consultation with Board of Education officials, it is determined that the Board of Education may have made materially inaccurate statements in its bond and/or note offering documents relating to prior compliance with continuing disclosure obligations pursuant to the Rule in connection with its Prior Issuances issued during the period beginning five years prior to the date of submission of the Questionnaire.

Section 3. The Business Administrator of the Board of Education is hereby authorized to execute and deliver any and all documents and instruments, including the Municipalities Continuing Disclosure Cooperation Initiative Questionnaire for Self-Reporting Entities contained in the MCDC Initiative (the "Questionnaire"), and to do and cause to be done any and all acts and things necessary or proper for participating in the MCDC Initiative and all related transactions, including the Review, contemplated by this resolution.

Section 4. All resolutions or proceedings, or parts thereof, in conflict with the provisions of this resolution are to the extent of such conflict hereby repealed.

Section 5. This resolution shall become effective in accordance with applicable law.

RECORDED VOTE:

AYE

NO

ABSTAIN

ABSENT

The foregoing is a true copy of the Resolution adopted by the governing body of the Issuer at a meeting thereof duly called and held on _____, 2014.

Board Secretary

SS-15-01

EXHIBIT A



U.S. Securities and Exchange Commission

Municipalities Continuing Disclosure Cooperation Initiative

Division of Enforcement

U.S. Securities and Exchange Commission

I. Introduction

The Municipalities Continuing Disclosure Cooperation Initiative (the "MCDC Initiative") is intended to address potentially widespread violations of the federal securities laws by municipal issuers and underwriters of municipal securities in connection with certain representations about continuing disclosures in bond offering documents.

As described below, under the MCDC Initiative, the Division of Enforcement (the "Division") of the U.S. Securities and Exchange Commission (the "Commission") will recommend favorable settlement terms to issuers and obligated persons involved in the offer or sale of municipal securities (collectively, "issuers") as well as underwriters of such offerings if they self-report to the Division possible violations involving materially inaccurate statements relating to prior compliance with the continuing disclosure obligations specified in Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Exchange Act").¹

II. Background

Rule 15c2-12 generally prohibits any underwriter from purchasing or selling municipal securities unless the issuer has committed to providing continuing disclosure regarding the security and issuer, including information about its financial condition and operating data.² Rule 15c2-12 also generally requires that any final official statement prepared in connection with a primary offering of municipal securities contain a description of any instances in the previous five years in which the issuer failed to comply, in all material respects, with any previous commitment to provide such continuing disclosure.

The Commission may file enforcement actions under either Section 17(a) of the Securities Act of 1933 (the "Securities Act"), and/or Section 10(b) of the Exchange Act against issuers for inaccurately stating in final official statements that they have substantially complied with their prior continuing disclosure obligations. In such instances, underwriters for these bond offerings may also have violated the anti-fraud provisions to the extent they failed to exercise adequate due diligence in determining whether issuers have complied with such obligations, and as a result, failed to form a reasonable basis for believing the truthfulness of a key representation in the issuer's official statement. For instance, on July 29, 2013, the Commission charged a school district in Indiana and its underwriter with falsely stating to bond investors that the school district had been properly providing annual financial information and notices required as part of its prior bond offerings.³ Without admitting or denying the Commission's findings, the school district and underwriter each consented to, among other things, an order to cease and desist from committing or causing any violations of Section 10(b) of the Exchange Act and Rule 10b-5. The underwriter also agreed to pay disgorgement and prejudgment interest of \$279,446 as well as a penalty of \$300,000.

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The Commission has in the past emphasized that the likelihood that an issuer will abide by its continuing disclosure obligations is critical to any evaluation of its covenants. An underwriter's obligation to have a reasonable basis to believe that the key representations in a final official statement are true and accurate extends to an issuer's representations concerning past compliance with disclosure obligations. Indeed, this provision of Rule 15c2-12 was specifically intended to serve as an incentive for issuers to comply with their undertakings to provide disclosures in the secondary market for municipal securities, and also assists underwriters and others in assessing the reliability of the issuer's disclosure representations. Moreover, the Commission has in the past stated that it believes that it is doubtful that an underwriter could form a reasonable basis for relying on the accuracy or completeness of an issuer's ongoing disclosure representations without the underwriter affirmatively inquiring as to that filing history, and the underwriter may not rely solely on a written certification from an issuer that it has provided all filings or notices.⁴

Based on available information, and as highlighted in the Commission's August 2012 Municipal Market Report, there is significant concern that many issuers have not been complying with their obligation to file continuing disclosure documents and that federal securities law violations involving false statements concerning such compliance may be widespread.

III. The MCDC Initiative

A. Who Should Consider Self-Reporting to the Division?

Issuers who may have made materially inaccurate statements in a final official statement regarding their prior compliance with their continuing obligations as described in Rule 15c2-12 should consider self-reporting to the Division to take advantage of the MCDC Initiative.

Underwriters of offerings in which the final official statement contains materially inaccurate statements regarding an issuer's prior compliance with continuing disclosure obligations should also consider self-reporting under the MCDC Initiative. Such underwriters may include the lead underwriter in an underwriting syndicate of such offerings or the sole underwriter in such offerings, and includes both competitive and negotiated underwritings.

Issuers or underwriters that have already been contacted by the Division as of the date of this announcement regarding possible inaccurate statements as to past compliance with continuing disclosure obligations, but against whom no enforcement action has yet been taken, may be eligible for the MCDC Initiative and should contact the Enforcement staff to discuss eligibility.

B. When and What Must Issuers and Underwriters Self Report?

To be eligible for the MCDC Initiative, an issuer or underwriter must self-report by accurately completing the attached questionnaire and submitting it within the six month period beginning March 10, 2014 and ending at 12:00 a.m. EST on September 10, 2014. Information required by the questionnaire includes:

- Identification and contact information of the self-reporting entity;
- Information regarding the municipal securities offerings containing the potentially inaccurate statements;
- Identities of the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each such offering;
- any facts that the self-reporting entity would like to provide to assist the staff in understanding the circumstances that may have led to the potentially inaccurate statement(s); and
- a statement that the self-reporting entity intends to consent to the applicable settlement terms under the MCDC Initiative.

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Submissions may be made by email to MCDCsubmissions@sec.gov, by fax to (301) 847-4713 or by mail to MCDC Initiative, U.S. Securities and Exchange Commission, Boston Regional Office, 33 Arch Street, Boston, MA 02110.

C. Standardized Settlement Terms the Division Will Recommend

To the extent an entity meets the requirements of the MCDC Initiative and the Division decides to recommend enforcement action against the entity ("eligible issuer" or "eligible underwriter"), the Division will recommend that the Commission accept a settlement which includes the terms described below.⁵

1. Types of Proceedings and Nature of Charges

For eligible issuers, the Division will recommend that the Commission accept a settlement pursuant to which the issuer consents to the institution of a cease and desist proceeding under Section 8A of the Securities Act for violation(s) of Section 17(a)(2) of the Securities Act.⁶ The Division will recommend a settlement in which the issuer neither admits nor denies the findings of the Commission.

For eligible underwriters, the Division will recommend that the Commission accept a settlement pursuant to which the underwriter consents to the institution of a cease and desist proceeding under Section 8A of the Securities Act and administrative proceedings under Section 15(b) of the Exchange Act for violation(s) of Section 17(a)(2) of the Securities Act. The Division will recommend a settlement in which the underwriter neither admits nor denies the findings of the Commission.

2. Undertakings

For eligible issuers, the settlement to be recommended by the Division must include undertakings by the issuers. Specifically, as part of the settlement, the issuer must undertake to:

- establish appropriate policies and procedures and training regarding continuing disclosure obligations within 180 days of the institution of the proceedings;
- comply with existing continuing disclosure undertakings, including updating past delinquent filings within 180 days of the institution of the proceedings;
- cooperate with any subsequent investigation by the Division regarding the false statement(s), including the roles of individuals and/or other parties involved;
- disclose in a clear and conspicuous fashion the settlement terms in any final official statement for an offering by the issuer within five years of the date of institution of the proceedings; and
- provide the Commission staff with a compliance certification regarding the applicable undertakings by the issuer on the one year anniversary of the date of institution of the proceedings.

For eligible underwriters, the settlement to be recommended by the Division must include undertakings by the underwriters. Specifically, as part of the settlement, the underwriter must undertake to:

- retain an independent consultant, not unacceptable to the Commission staff, to conduct a compliance review and, within 180 days of the institution of proceedings, provide recommendations to the underwriter regarding the underwriter's municipal underwriting due diligence process and procedures;
- within 90 days of the independent consultant's recommendations, take reasonable steps to enact such recommendations; provided that the underwriter make seek approval from the Commission staff to not adopt recommendations that the underwriter can demonstrate to be unduly burdensome;
- cooperate with any subsequent investigation by the Division regarding the false statement(s), including the roles of individuals and/or other parties involved; and

- provide the Commission staff with a compliance certifications regarding the applicable undertakings by the Underwriter on the one year anniversary of the date of institution of the proceedings.

3. Civil Penalties

For eligible Issuers, the Division will recommend that the Commission accept a settlement in which there is no payment of any civil penalty by the issuer.

For eligible underwriters, the Division will recommend that the Commission accept a settlement in which the underwriter consents to an order requiring payment of a civil penalty as described below:

- For offerings of \$30 million or less, the underwriter will be required to pay a civil penalty of \$20,000 per offering containing a materially false statement;
- For offerings of more than \$30 million, the underwriter will be required to pay a civil penalty of \$60,000 per offering containing a materially false statement;
- However, no underwriter will be required to pay more than \$500,000 total in civil penalties under the MCDC Initiative.

D. No Assurances Offered with Respect to Individual Liability

The MCDC Initiative covers only eligible issuers and underwriters. The Division provides no assurance that individuals associated with those entities, such as municipal officials and employees of underwriting firms, will be offered similar terms if they have engaged in violations of the federal securities laws. The Division may recommend enforcement action against such individuals and may seek remedies beyond those available through the MCDC Initiative. Assessing whether to recommend enforcement action against an individual for violations of the federal securities laws necessarily involves a case-by-case assessment of specific facts and circumstances, including evidence regarding the level of intent and other factors such as cooperation by the individual.

E. No Assurances for Entities That Do Not Take Advantage of MCDC Initiative

For issuers and underwriters that would be eligible for the terms of the MCDC initiative but that do not self-report pursuant to the terms of the MCDC Initiative, the Division offers no assurances that it will recommend the above terms in any subsequent enforcement recommendation. As noted above, assessing whether to recommend enforcement action necessarily involves a case-by-case assessment of specific facts and circumstances, but entities are cautioned that enforcement actions outside of the MCDC Initiative could result in the Division or the Commission seeking remedies beyond those described in the Initiative. For issuers, the Division will likely recommend and seek financial sanctions. For underwriters, the Division will likely recommend and seek financial sanctions in amounts greater than those available pursuant to the MCDC Initiative.

Questions regarding the MCDC Initiative may be directed to MCDCInquiries@sec.gov.

⁴ Recommendations by the Division to the Commission are subject to approval by the Commission.

¹ The issuers' agreement to make such disclosures is memorialized in a written undertaking frequently called a Continuing Disclosure Agreement. The Continuing Disclosure Agreement requires that issuer to file annual financial information and notices of certain material events with the Electronic Municipal Market Access, or EMMA, an electronic information repository system maintained by the Municipal Securities Rulemaking Board (MSRB), which is accessible to all investors on the internet.

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³*In the Matter of West Clark Community Schools*, AP File No. 3-15391 (July 29, 2013); *In the Matter of City Securities Corporation and Randy G. Ruhl*, AP File No. 3-15390 (July 29, 2013).

⁴See "Municipal Securities Disclosure," Securities Exchange Act Release No. 34961 (November 10, 1994), 59 FR 59590, *supra* notes 50-54 (November 17, 1994). See also "Amendments to Municipal Securities Disclosure," Securities Exchange Act Release No. 34-62184A (May 26, 2010), 75 FR 331100, *supra* n. 348-362 (June 10, 2010).

⁵The standardized settlement terms of the MCDC Initiative are only applicable to inaccurate statements concerning compliance with continuing disclosure obligations. The MCDC Initiative and the standardized settlement terms are not applicable to other material misstatements in final official statements or related communications or other misconduct. Any other potential misconduct is subject to investigation and separate enforcement action, if appropriate. If enforcement action is taken, entities may be subject to additional remedies for that misconduct, including additional financial sanctions.

⁶Violations of Section 17(a)(2) require a finding of negligent conduct.



**U.S. SECURITIES AND EXCHANGE COMMISSION
DIVISION OF ENFORCEMENT**

**MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION INITIATIVE
QUESTIONNAIRE FOR SELF-REPORTING ENTITIES**

NOTE: The information being requested in this Questionnaire is subject to the Commission's routine uses. A list of those uses is contained in SEC Form 1662, which also contains other important information.

- 1. Please provide the official name of the entity that is self-reporting ("Self-Reporting Entity") pursuant to the MCDC Initiative along with contact information for the Self-Reporting Entity:**

Individual Contact Name:
Individual Contact Title:
Individual Contact telephone:
Individual Contact Fax number:
Individual Contact email address:

Full Legal Name of Self-Reporting Entity:
Mailing Address (number and street):
Mailing Address (city):
Mailing Address (state): Select a state...
Mailing Address (zip):

- 2. Please identify the municipal bond offering(s) (including name of Issuer and/or Obligor, date of offering and CUSIP number) with Official Statements that may contain a materially inaccurate certification on compliance regarding prior continuing disclosure obligations (for each additional offering, attach an additional sheet or separate schedule):**

State: Select a state...
Full Name of Issuing Entity:
Full Legal Name of Obligor (if any):
Full Name of Security Issue:
Initial Principal Amount of Bond Issuance:
Date of Offering:
Date of final Official Statement (format MMDDYYYY):
Nine Character CUSIP number of last maturity:

3. Please describe the role of the Self-Reporting Entity in connection with the municipal bond offerings identified in Item 2 above (select Issuer, Obligor or Underwriter):

- Issuer
- Obligor
- Underwriter

4. Please identify the lead underwriter, municipal advisor, bond counsel, underwriter's counsel and disclosure counsel, if any, and the primary contact person at each entity, for each offering identified in Item 2 above (attach additional sheets if necessary):

Senior Managing Underwriting Firm:

Primary Individual Contact at Underwriter:

Financial Advisor:

Primary Individual Contact at Financial Advisor:

Bond Counsel Firm:

Primary Individual Contact at Bond Counsel:

Law Firm Serving as Underwriter's Counsel:

Primary Individual Contact at Underwriter's Counsel:

Law Firm Serving as Disclosure Counsel:

Primary Individual Contact at Disclosure Counsel:

5. Please include any facts that the Self-Reporting Entity would like to provide to assist the staff of the Division of Enforcement in understanding the circumstances that may have led to the potentially inaccurate statements (attach additional sheets if necessary):

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On behalf of [Name of Self-Reporting Entity]
I hereby certify that the Self-Reporting Entity intends to consent to the applicable settlement terms under the MDCI Initiative.

By: _____

Name of Duly Authorized Signer:

Title: