

Loleta

Union Elementary School District

LOLETA UNION SCHOOL DISTRICT

BOARD OF TRUSTEES MEETING AGENDA

Special Board Meeting

Date:01-27-22

Time: 5:30 PM

Location: Loleta Elementary 700 Loleta Drive, Rm 8- In person

1.0 OPEN SESSION:

1.1. Roll Call

2.0 PUBLIC COMMENT:

2.1 Comments are asked to be kept to three minutes with a conversation about a topic to not exceed 20 minutes.

3.0 INFORMATION ITEMS:

3.1 LES FISCAL RECOVERY PLAN WORKSHOP #1-2 combined

4.0 ACTION ITEMS:

4.1 Approval INDIAN POLICIES AND PROCEDURES FOR IMPACT AID APPLICATION.

4.2 Approval of updated SARC with State populated fields.

5.0 ADJOURNMENT:

Next meeting February 3, 2022 Special Board Meeting #3 Room 8 -In person.

January 14, 2022

Autumn Chapman, Superintendent
Loleta Union Elementary School District
PO Box 547
Loleta, CA, 95551

Subject: Negative certification of 2021-2022 First Interim Report

Dear Ms. Chapman:

Thank you for the timely submission of the district's 2021-2022 First Interim Report.

In accordance with Education Code Section 42131, the County Superintendent of Schools is required to review the report for adherence to the state-adopted Criteria and Standards. The district has filed a First Interim Report with a negative certification. Based on the multiyear projections and assumptions provided by the district, it appears the district will not meet its 5% reserve requirement for the current fiscal year and will in fact reduce the reserves to a projected

- 0% by June 30, 2022
- negative unrestricted ending fund balances of \$151,215 in 2022-2023 and \$449,597 in 2023-2024.

We concur with the district's negative certification with the following comments:

Cash

In October 2021, the district borrowed \$170,137 in cash from the Humboldt County Office of Education (HCOE) in order to maintain positive cash flow in the General Fund and Special Reserves. In addition, we noted that the district is projecting a negative cash balance in the General and Special Reserves funds of \$179,347 as of June 30, 2022.

The original agreement for the cash borrowing was set to end with repayment in January 2022, however, at your January 13, 2022 board meeting the governing board of the district agreed to request the timeline be extended with a repayment of cash borrowed to be returned prior to June 30, 2022. HCOE is in agreement with this extension but reminds the district that it is unable to extend the cash borrowing beyond June 30, 2022, as these loans can only be made within a fiscal year. The district must take all possible action to avoid ending with negative cash come June 30, 2022 or will need to find other sources of borrowing in order to avoid State intervention.

Deficits Projected in the Current and Multi-Year Budgets

Part of the reason for the district's fiscal distress is due to its deficit spending. The structural deficit is projected to be \$276,028 in the current year.

During our review of the multi-year budget projections, we noted that the Local Control Funding Formula (LCFF) was based on Department of Finance (DOF) projections for

COLA. The LCFF includes cost-of-living (COLA) increases of 2.48% for 2022-23 and 3.11% for 2023-24. Under these revenue assumptions, the multi-year budgets project deficit spending of \$238,472 in 2022-23 and \$298,382 in 2023-24.

Reserves

As noted above, the district's reserve level is projected to drop to 0% by the end of 2021-22 and remain at 0% in all subsequent years. Estimated minimum reserve levels for 2022-2023 and 2023-2024 are \$117,865 and \$118,212 respectively.

Cafeteria

An additional stress on the district's General Fund is due to the Cafeteria Fund projected deficit of \$125,888 which represents 142% of the total annual revenue generated by that fund.

Fiscal Recovery Plan

The district will need to develop a Fiscal Recovery Plan identifying approximately \$1.1 million in prospective budget reductions to be made for 2022-2023 and that includes financial projections of all its funds and cash balances for the current fiscal year ending June 30, 2022. As staffing makes up the majority of the district's expenditures, please keep in mind that both certificated and classified staff are required to be noticed by March 15, 2022. The district should communicate with legal counsel for guidance with this process.

At your January 13, 2022 board meeting the governing board of the district took action to develop a Fiscal Recovery Plan that meets the reductions required. As part of the plan's development process, the board has scheduled three special board meetings one on each Thursday leading up to the regular scheduled board meeting on February 10, 2022. HCOE staff and Fiscal Advisor will attend all the special board meetings to assist the district in the development of the plan. The board agreed to have an approvable plan adopted at their meeting on February 10, 2022.

If the Fiscal Recovery Plan is not approved by February 10, 2022 the district will not be in a place to make the reductions necessary within its statutory deadlines; the amount needed in future budget reductions will increase significantly; and the district would move in the direction of a State receivership, and loss of local governance.

The following are the actions the district must take:

- Prepare and Approve a Fiscal Recovery Plan identifying all necessary reductions for submittal to HCOE no later than February 11, 2022.
- Freeze all unrestricted general fund discretionary expenditures unless operationally necessary — as determined by the district's Superintendent, business services clerk or designee
- Implement a hiring freeze on all positions that do not provide direct and essential services to students
- Notify HCOE prior to presenting proposals to bargaining units for negotiation, and update us after each negotiating session with employee groups.

- Encumber all contracts and other obligations, to prepare appropriate cash flow analyses and monthly or quarterly budget revisions, and to appropriately record all receivables and payables.
- Continue to closely monitor future enrollment trends, and inform HCOE of budget adjustments should enrollment trends fluctuate.
- Be subject to the stay and rescind authority of the appointed Fiscal Advisor.
- Provide full and timely cooperation with COE staff and the appointed Fiscal Advisor.

We wish to acknowledge and express our appreciation to the district's staff, the governing board and the community for their continued diligence and hard work. If you have any questions regarding our review process, please feel free to contact our office.

Sincerely,



Michael Davies-Hughes
County Superintendent
Humboldt County Office of Education

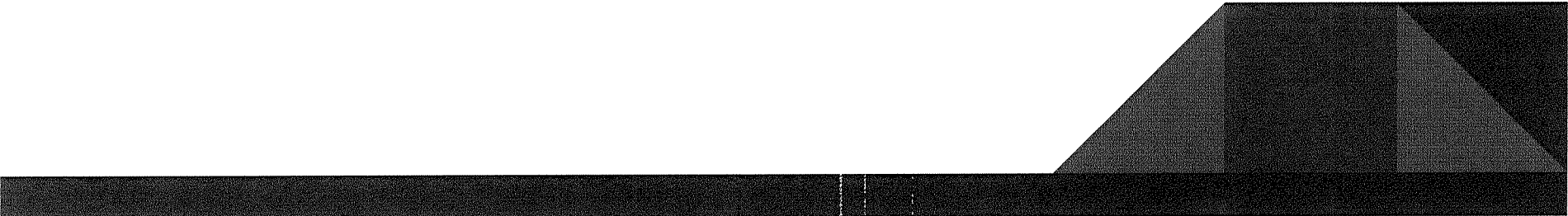
MDH: cm

c: Brenda Juarez, District School Board President
District School Board Members
Jayne Christakos, Fiscal Advisor
Tiara Zahler, District Business Services Clerk
Michael Fine, Fiscal Crisis Management Assistance Team
Elizabeth Dearstyne, CDE Fiscal Services
Corey Weber, Assistant Superintendent of Business Services, HCOE

LES Fiscal Recovery Plan Workshop

Presented by Autumn Chapman
Corey Weber and Jayne Christakos
1-20-22

Topics for This Evening's Workshop

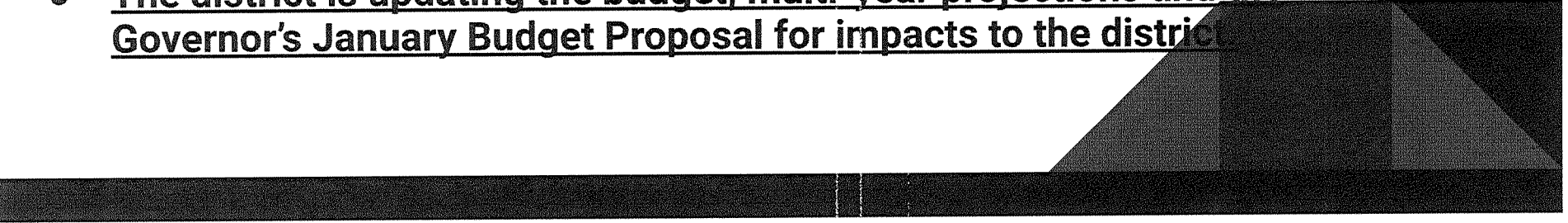
- Summary of Loleta Union Elementary School District's (LES) Financial Situation
 - Review HCOE First Interim letter.
 - Budget reduction discussion
 - Describe the process to ensure fiscal stability
 - Moving Forward
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Summary of the Situation

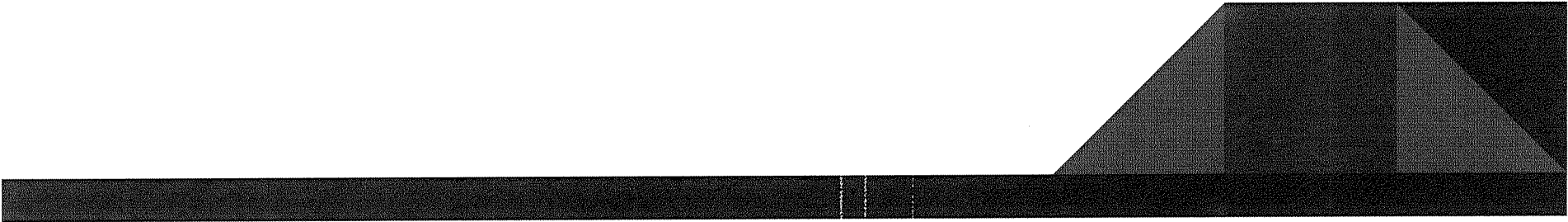
Cash -

- The district has had negative cash in both the General Fund and Special Reserve.
- The district entered into a loan agreement with HCOE to meet its financial obligations.
- **The district currently has positive cash flow**

Budget -

- The district filed a First Interim Report with a negative certification
 - The district's 1st Interim Report projects expenditures exceeding the available funds in the current year and 2 subsequent years.
 - **The district is updating the budget, multi-year projections and the Governor's January Budget Proposal for impacts to the district**
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HCOE's First Interim Letter and District Required Actions:

1. Prepare and Approve a Fiscal Recovery Plan Identifying all necessary reductions no later than February 11, 2022
 2. Freeze all unrestricted general fund discretionary expenditures unless operationally necessary
 3. Implement a hiring freeze
 4. Notify HCOE prior to presenting proposals to bargaining units for negotiation
 5. Encumber all contracts and obligations to prepare cash flow analysis
 6. Monitor enrollment trends and report any fluctuations
 7. LES is subject to the stay and rescind authority of HCOE/Fiscal Advisor
 8. Provide timely cooperation with HCOE/Fiscal Advisor
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-COE Letter Describing Budget Reductions

\$1.1 million in reductions are required due to:

\$783,456 Expiration of One-Time Funds:

The one-time funds are projected to be fully expended this fiscal year (ESSER, CSI and other one-time funds).


\$276,028 Projected Structural Deficit:

Expenditures must be reduced to ensure fiscal stability.

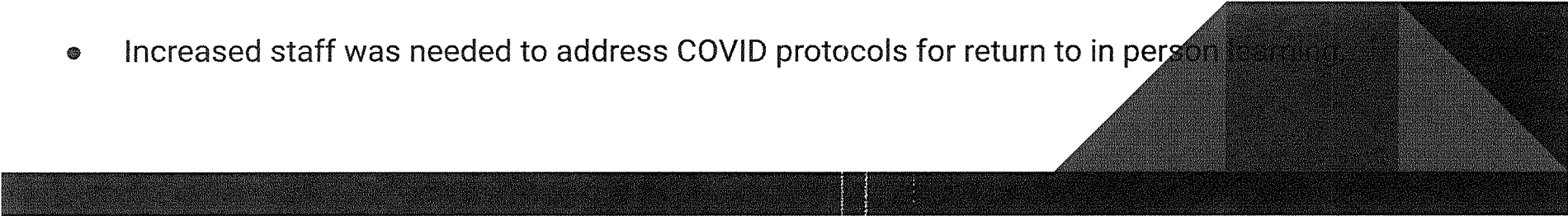
\$100,000 Approximate Reserves for Economic Uncertainty:

The district must meet the 5% minimum reserve. Will rebuild the special reserves account.

Any reductions done in the current year will reduce reductions required in subsequent years.



Rationale for One-Time Money Staffing- ESSA CSI

- ESSA CSI money was given by the state to rectify chronic absenteeism and high suspension rates. (approximately \$175,000.00 per year for four years)2018-2022.
 - This money supported our Student Support Team, Music, Art, foreign language, Zen Den/Sensory Room, and some professional development.
 - American Rescue Plan and ESSER funds were given to support increasing technological access, confront learning loss and support the social/emotional well-being of students during Covid.
 - Increased staff was needed to address COVID protocols for return to in person learning.
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Staffing Levels- Historical Enrollment = 100

Fiscal Year	Total FTEs	Certificated	Classified
Possible 2022-2023	20.46	7.50	12.96
2021-2022 (10.44 FTE one time funds)	36.14	13.25	22.89
2020-2021	24.6	8.5	16.1
2019-2020	23.2	9.5	13.7
2018-2019	21.3	8.6	12.7
2017-2018	18.8	9.0	9.8

Keep in mind FTE's are much more expensive than 5 years ago: COLA, Retirement, Salary, benefits

Discussion of Direction for Reductions

1. Reviewing the staffing slide, please work with a partner and write down any questions you may have and write them on the post-its provided. 3 minutes
2. We are working on figuring out what staffing is the core. What do you feel the structure should be at the very basic level for:
 - Teaching staff
 - Office staff
 - Maintenance/custodial staff
 - Classroom support
 - Student emotional support and training
 - Required enrichment professionals: music, art, PE
 - Aides on top of required 1:1 aides

Please discuss with a partner your assigned bullet and be prepared to share out.



Moving forward: Fiscal Recovery Timeline

January 27, 2022

Adjust current budgeted expenditures & revenues to maintain ongoing budget stability based on Board input from January 20



February 3, 2022

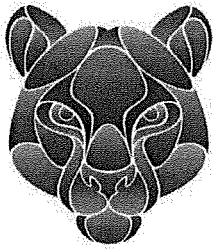
Finalize budget reduction plan to maintain fiscal solvency



February 10, 2022

Board **Action** on identified budget **REDUCTIONS** to maintain ongoing budget stability





Loleta

Union Elementary School District

Native American Policies and Procedures (IPPs)

Loleta Union Elementary School District

2021-2022 School Year

It is the intent of the Loleta Union Elementary School District that all Indian children of school age have equal access to all programs, services and activities offered within the school district. To this end, the School District will consult with local tribes and parents of Indian children in the planning and development of Indian Policies and Procedures (IPPs), general education programs, and activities. These policies and procedures will be reviewed annually, and revisions will be made within 90 days of the determination that requirements are not being adequately met.

ATTESTATIONS

The School District attests that it has established Indian Policies and Procedures (IPPs) as required in section 7004 of the Impact Aid law for any children claimed who reside on eligible Indian lands. The IPPs have been adequately disseminated to the tribes and parents of children residing on eligible Indian lands. A copy of the current policies and procedures was attached to the Impact Aid application.

The School District attests that it has provided a copy of written responses to comments, concerns and recommendations received from tribal leaders and parents of Indian children through the Indian policies and procedures consultation process and disseminated these responses to tribal leaders and parents of Indian children prior to the submission of their Impact Aid application.

Indian Policies and Procedures

The following Indian policies and procedures become effective upon school board approval.

Policy 1: The LEA will disseminate relevant applications, evaluations, program plans, and information related to the LEA's education program and activities with sufficient advance notice to allow tribes and parents of Indian children the opportunity to review and make recommendations. [34CFR222.94(a)(1)]

Procedure 1: The LEA will disseminate, as soon as reasonably possible after such information becomes available, but not later than 1 week in advance of any meeting, by the tribes' preferred method of communication to Indian parents and Tribes a copy of the following documents:

- Impact Aid application.
- Assessment/Evaluation of Equal Participation in all Educational Programs;

- Indian Policies Procedures (IPPs);
- Any Plans for District education programs;

Parents of Indian children, tribes and the public will be given notice of any and all meetings at least 1 week in advance related to the above documents (Including IPPs) by the tribes' preferred method of communication. This will allow parents of Indian children and tribes the time to review and provide comments on all documents and information received.

POLICY (2): The School District will provide an opportunity for the Tribe and parents of Indian children to provide their views on the District's educational program and activities, including recommendations on the needs of their children and how the District may help those children realize the benefits of the educational programs and activities. [34CFR222 .94(a)(2)] As a part of this requirement, the LEA will-

- (i) Notify tribes and the parents of Indian children of the opportunity to submit comments and recommendations, considering the tribe's preference for method of communication, and
- (ii) Modify the method of and time for soliciting Indian views, if necessary, to ensure the maximum participation of tribes and parents of Indian children.

Procedure 2:

2.1 The LEA will make the following opportunities available for parents of Indian Children and tribes to provide input on the educational program and activities:

- Monthly Stakeholders Equity Committee Meeting
- Quarterly Parent Teacher Meetings through the Indian Education Advisory Council meetings.

2.2 Indian parents and Tribes will be given notice of any and all meetings by the school newsletter sent home to parents and the tribe and through the school website <https://loletaschool.org>

2.3 Once the preferred method of communication has been decided, the tribe and parents of Indian children communication method will be used throughout the consultation process. Any changes to the method will happen through additional consultation with tribes and parents. The LEA will, to the greatest extent possible, take the tribe's preferred method of communication into consideration for all correspondence with the tribe and the parents of Indian children.

2.4 If the consultation participation by parents of Indian children and tribes is low, the School District will re-evaluate its consultation process. Specifically, the School District will take the following measures to improve or enhance participation:

- Consult with parents of Indian children and tribes
- Change communication method
- Change time of meeting

POLICY (3): The School District will, at least annually, assess the extent to which Indian children participate on an equal basis with non-Indian children in the District's education program and activities. [34CFR222.94(a)(3)] As part of this requirement, the LEA will:

- (i) Share relevant information related to Indian children's participation in the LEA's education program and activities with tribes and parents of Indian children; and
- (ii) Allow tribes and parents of Indian children the opportunity and time to review and comment on whether Indian children participate on an equal basis with non-Indian children.

Procedure 3:

The School District will take the following measures to annually assess the extent to which Indian children participate on an equal basis with non-Indian children in the District's education program and activities.

3.1 The School District shall annually calculate from its records the ratio of Indian children compared to non-Indian children participating in all academic and co-curricular programs.

3.2 The School District will disseminate its assessment of Indian children participation compared to non-Indian children and any other related data with the parents of Indian children and tribes by tribes' preferred method of communication. This information will be shared at least 1 week in advance of any meeting to discuss the extent to which Indian children participate with non-Indian children.

3.3 Parents of Indian children, tribes and other interested parties may express their views on participation through the following ways:

- Monthly Stakeholders Equity Committee Meeting
- Monthly Parent Teacher Meetings
- Annual Impact Aid School Board Meeting

3.4 If it is determined that there are gaps in Indian participation in the educational program or activities, the School Board, tribes and the parents of Indian children, will modify its education program in such a way as to improve Indian participation.

POLICY (4): The School District will modify the IPPs if necessary, based upon the results of any assessment or input described in this document. [34CRF222.94(a)(4)]

The School District will annually keep track of and assemble all comments and suggestions received through the various the consultation processes by meeting minutes.

The School District will at least annually respond in writing to comments and recommendations made by tribes, or parents of Indian children, and disseminate the responses to all parties using the tribes' preferred method of communication prior to the submission of the IPPs by the District.

POLICY (6): The School District will provide a copy of the IPPs annually to the affected tribe or tribes. [34CR F222.94 (a)(6)]

Procedure 6:

The School District will annually provide a copy of the current Indian Policies and Procedures to the tribes by the tribes' preferred method communication prior to submitting the Impact Aid Application.

Board Approval Date

1-20-2022

Date