

**SANTEE SCHOOL DISTRICT  
REGULAR MEETING  
OF THE BOARD OF EDUCATION**

June 16, 2020  
**MINUTES**

Via Video Conferencing

**A. OPENING PROCEDURES**

**1. Call to Order and Welcome**

President Burns called the meeting to order at 7:05 p.m.

Members present:

Dustin Burns, President  
Barbara Ryan, Vice President  
Elana Levens-Craig, Clerk  
Dianne El-Hajj, Member  
Ken Fox, Member

Administration present:

Dr. Kristin Baranski, Superintendent and Secretary to the Board  
Karl Christensen, Assistant Superintendent, Business Services  
Tim Larson, Assistant Superintendent, Human Resources/Pupil Services  
Dr. Stephanie Pierce, Assistant Superintendent, Educational Services  
Lisa Arreola, Executive Assistant and Recording Secretary

**2. District Mission**

President Burns welcomed those in attendance. He recited the District Mission.

**3. Approval of Agenda**

President Burns noted all five Board members were in attendance, and presented the agenda for approval. Member Fox moved approval.

<i>Motion:</i>	<u>Fox</u>	<i>Burns</i>	<u>Aye</u>	<i>El-Hajj</i>	<u>Aye</u>
<i>Second:</i>	<u>Ryan</u>	<i>Ryan</i>	<u>Aye</u>	<i>Fox</i>	<u>Aye</u>
<i>Vote:</i>	<u>5-0</u>	<i>Levens-Craig</i>	<u>Aye</u>		

**B. REPORTS AND PRESENTATIONS**

**1. Superintendent's Report**

- 1.1. Developer Fees and Collection Report
- 1.2. Enrollment Report

**C. PUBLIC COMMUNICATION**

President Burns invited members of the audience to address the Board about any item not on the agenda. He explained that given the current circumstances with COVID-19, the public was given the opportunity to submit comments online or by phone prior to the meeting. There was one public comment. President Burns read the following comment for the record:

*Liz Ingle wrote:*

*I'm speaking on behalf of over 3,000 concerned parents and educators who have signed a petition lobbying for a full-time return to schools in San Diego County.*

*Closures to our schools were originally made based on the short-term need to flatten the curve. We've done that. The local, national, and global data shows that kids are not being impacted in the same manner as those over the age of 65.*

*Given this data and the fact that the state is going through its recovery phases, we need our schools to support our communities and open. In a study by the San Diego Workforce partnership and the San Diego Foundation earlier this year, it*

*found that 70% of households in the county with kids under 12 are dual working households.*

*These, households, single-parent households, and homes with kids who didn't do well with distance learning will be highly impacted by hybrid models. Combine this with the complicated issues of hybrid learning and the misaligned guidelines between the state, CA Board of Ed, and local county guidelines and this is a recipe for disaster.*

President Burns expressed his gratitude towards for Ms. Ingle for her comments.

#### **D. PUBLIC HEARING**

##### **1. Use of Education Protection Account Funds for 2020-21**

President Burns opened the public hearing on the Use of Education Protection Account Funds for 2020-21. He explained the District estimates it will receive \$7,918,199 in Education Protection Account (EPA) funds for the 2020-21 fiscal year; and that these funds will be used for certificated non-management salaries. There were no comments. The public hearing was closed.

#### **E. CONSENT ITEMS**

President Burns invited comments from the public on any item listed under Consent. There were no public comments.

##### **Superintendent**

- 1.1. Approval of Minutes
- 1.2. Approval of 2020 East County Special Education Region Local Plan
- 2.1. Approval/Ratification of Expenditure Warrants
- 2.2. Approval/Ratification of Purchase Orders
- 2.3. Approval/Ratification of Revolving Cash Report
- 2.4. Acceptance of Donations, Grants, and Bequests
- 2.5. Approval/Ratification of General Services Agreements
- 2.6. Adoption of Resolution No. 1920-38 Designating Use of Education Protection Account Funds for 2020-21
- 2.7. Adoption of Resolution No. 1920-39 of the Santee School District Board of Education Authorizing the Transfer of Budgetary Funds Between Expenditure Classifications After June 30, 2020 for the 2019-20 Fiscal Year
- 2.8. Appointment of a Member to the Independent Citizen's Oversight Committee
- 3.1. Adoption of the Local Control Accountability Plan (LCAP) COVID-19 Operations Written Report for 2019-20
- 3.2. Approval of 2020-2025 Affiliation Agreement with University of San Diego
- 3.3. Approval of Clinical Affiliation Agreement with Emerson College
- 3.4. Adoption of Resolution #1920-37 Designating Personnel and Approval of 2020-2021 Child Development Services Contract
- 4.1. Personnel, Regular
- 4.2. Adoption of Resolution No. 1920-41 to Reduce and/or Eliminate Classified Non-Management Positions
- 4.3. Approval of Medi-Cal Administrative Activities (SMAA) Agreement with Orange County Department of Education
- 4.4. Approval of Short-Term Services Agreements
- 4.5. Approval of Agreement for Mandated Student Health Screenings (Vision, Hearing, and Scoliosis) with Rady Children's Hospital, San Diego – *pulled for separate consideration*

Member Ryan shared being employed by Rady Children's Hospital, San Diego and the need to abstain to Item 4.5. Member El-Hajj moved approval with the exception of Item 4.5. Approval of Agreement for Mandated Student Health Screenings (Vision, Hearing, and Scoliosis) with Rady Children's Hospital, San Diego that was pulled for separate consideration.

<b>Motion:</b> <u>El-Hajj</u>	<b>Burns</b> <u>Aye</u>	<b>El-Hajj</b> <u>Aye</u>
<b>Second:</b> <u>Fox</u>	<b>Ryan</b> <u>Aye</u>	<b>Fox</b> <u>Aye</u>
<b>Vote:</b> <u>5-0</u>	<b>Levens-Craig</b> <u>Aye</u>	

**4.5. Approval of Agreement for Mandated Student Health Screenings (Vision, Hearing, and Scoliosis) with Rady Children’s Hospital, San Diego – pulled for separate consideration**

Member El-Hajj moved approval.

<b>Motion:</b> <u>El-Hajj</u>	<b>Burns</b> <u>Aye</u>	<b>El-Hajj</b> <u>Aye</u>
<b>Second:</b> <u>Fox</u>	<b>Ryan</b> <u>Abstained</u>	<b>Fox</b> <u>Aye</u>
<b>Vote:</b> <u>4-1</u>	<b>Levens-Craig</b> <u>Aye</u>	

**F. DISCUSSION AND/OR ACTION ITEMS**

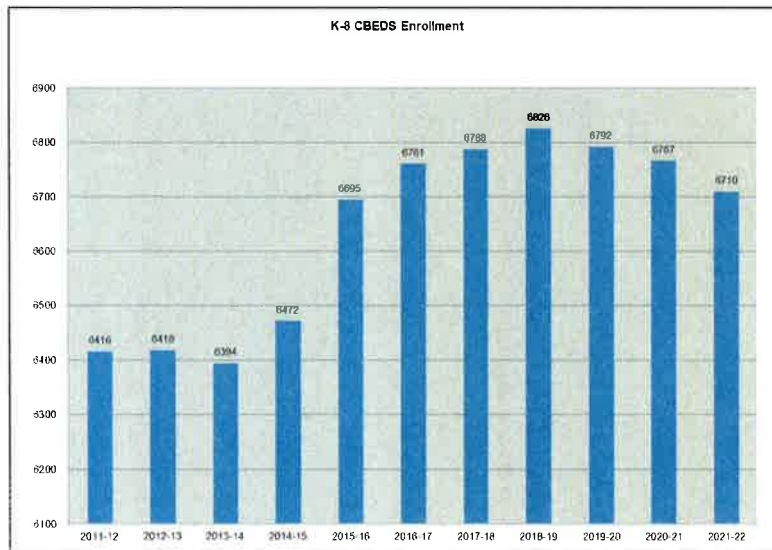
Superintendent Baranski shared Karl Christensen, Assistant Superintendent of Business Services, would be presenting a series of budget items for approval. She explained hoping to see a finalized budget from the State within the next few weeks and noted the information being presented tonight was developed using the May Revise information and changes were expected.

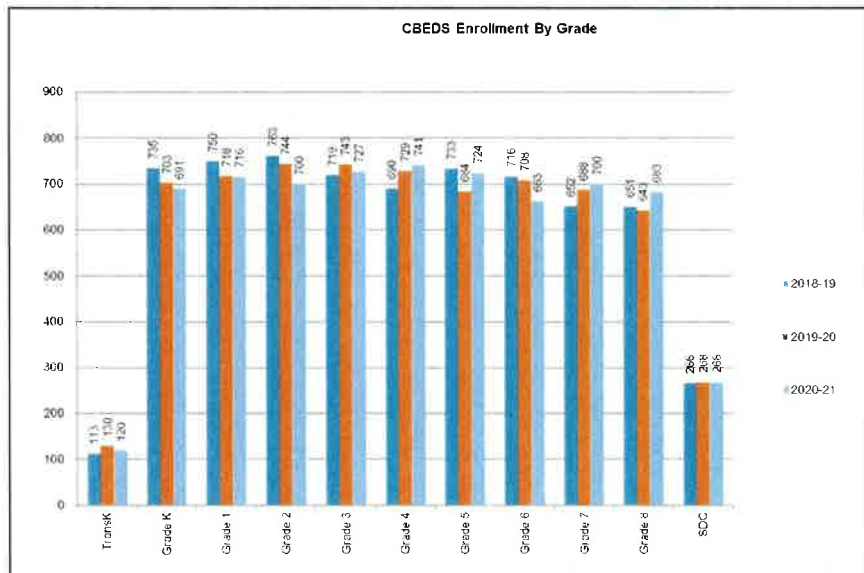
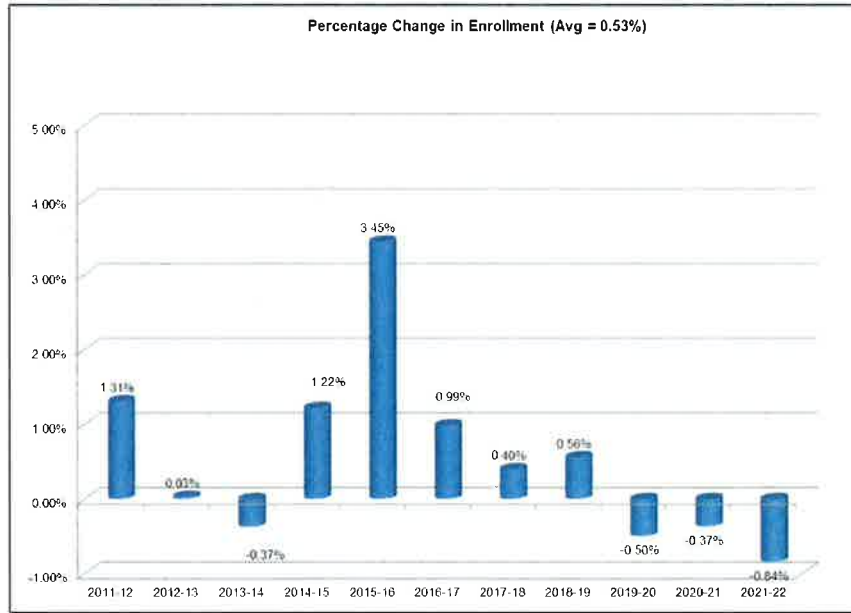
**Business Services**

**1.1. Adoption of 2020-21 Budget**

Karl Christensen, Assistant Superintendent of Business Services, provided an overview of the 2020-21 Santee School District budget using a user-friendly budget report as review. Mr. Christensen shared that due to COVID-19 uncertainties, the Legislature and Governor have proposed to handle things differently and the information being presented was based on the May Revise. He explained that during the Multi-year projections he would be discussing the Legislature’s version and District impact.

Mr. Christensen explained the importance of monitoring Enrollment and ADA Trends (page 9) and provided an overview of the K-8 CBEDS Enrollment (page 10). He noted that during the 2011-12/2012-13 school years, student enrollment was at approximately 6,400; a slight drop in 2013-14; and substantial increase in 2015-16 and continued increases until 2019-20, where there was a drop in enrollment. Mr. Christensen explained the District is now projecting declining enrollment and provided an overview of the Percentage Change in Enrollment (page 11). He noted the projection for 2020-21 was derived in October prior to COVID-19 uncertainties. Mr. Christensen shared the CBEDS Enrollment by Grade (page 12) showed a trend of a larger number of 8<sup>th</sup> grade students leaving the District, compared to incoming Kindergarten students in 2019-20; and a consistent decline in Kindergarten enrollment.





Mr. Christensen provided an overview of the Projected Revenue, Expenditures, and Change to Fund Balance for all District Funds (page 16). He noted the Change in Fund Balance, in the Unrestricted General Fund, is a -\$6.5 million largely due to the ten percent (10%) projected decrease in LCFF funding based on the May Revise. The District is projecting to end the 2019-20 year with approximately \$15.5 million Fund Balance. He noted that if this change in Fund Balance occurs in this manner, the District would go below \$10 million and almost \$9 million. Mr. Christensen shared this is one of the reasons the Legislature has proposed a budget that does not have a significant cut. He explained that with such a large cut and change in Fund Balance in a year with little time to respond, Santee School District is in a lot better position because of the Reserves. Mr. Christensen shared there are approximately 10 districts in San Diego County that will have a negative fund balance in 2020-21, if this cut goes through in this manner. He explained Legislature has proposed to fund the COLA for LCFF, but due more cash deferrals, if Federal monies are not secured. Mr. Christensen explained the Legislature and Governor both agree there is a crisis and the projected \$46 billion dollar loss in revenue and deficit at the State level. However, the difference is how the Legislature has proposed to address the issue versus the Governor. The Governor is proposing some more deferrals of cash, the cut to LCFF. But not invoke them, if the Federal government

provides assistance into the State of \$14 billion. The Legislature is taking the opposite approach wanting to fund the COLA, not do the cut, and only impose it if Federal monies are not received. If Federal monies are not received, they are proposing more cash deferrals to the following year, versus a significant cut to revenue. Mr. Christensen noted that all though these May Revise numbers, may not be invoked in this manner, the crisis still exists, is significant, and the District needs to be mindful of that. He noted he would explain how cash flow would be different with the Legislature's proposed budget.

Mr. Christensen noted a surplus in Fund 12 (Child Dev); he noted the projected beginning fund balance of \$33,000 on the Fund 13 (Cafeteria) is also the ending fund balance for 2019-20. For 2019-20, the District was assuming an approximate ending fund balance of \$300,000 at Second Interim. Mr. Christensen noted some adjustments were made in the fund in order to create a small surplus so it does not end with a negative fund balance that would have to be absorbed by the General Fund. Fund 14 (Deferred Maintenance) shows a \$400,000 fund balance. He reminded the Board that the transfer amount was reduced from \$535,000 to \$370,000. Funds 17 and 40 (Special Reserve Funds) showed balances of \$182,666 for Solar; \$4,016,234 for Technology; \$775,727 for Bus Replacement; and \$1,030,976 for Facility Needs. Fund 21 (Building) and Fund 25 (Facilities) are being used for capital improvement program projects.

Mr. Christensen noted the projected beginning fund balance for Enterprise Fund 63 (Yale and Project SAFE) is what is projected to end in 2019-20. For YALE, approximately \$410,280, projected fund balance is expected for 2019-20; less than what was projected at Second Interim. He explained plans for staffing reductions for YALE to address a structural deficit; knowing they would experience a reduction in participation next year. The revenue numbers are projecting a thirty-percent (30%) reduction in revenue for 2020-21; and incorporated staffing reductions to try to address the issue. Mr. Christensen shared that because of all of the uncertainties for next year, the District is not going to invoke the reductions in staffing right away. Currently there is a Change in Fund Balance deficit of \$22,617, but possibly not invoking approximately \$180,000 in staffing reductions that are currently in the adopted budget, right away. If the revenue picture does not change, and keep all the staffing, there will be an approximate \$200,000 deficit. The situation with Project SAFE is similar but slightly different, as they included a twenty-percent (20%) reduction in revenue; and staffing reductions were implemented to address the issue. Similar to Yale, these staffing reductions will not be invoked due to the uncertainties of the summer and fall enrollments.

Description	General Fund			Child Dev Fund 12	Cafeteria Fund 13	Deferred Maint Fund 14	Special Reserve Fund 17	Special Reserve Fund 40
	Unrest	Rest	Ttl					
<b>INCOME:</b>								
LCFF Sources	54,351,116	369,700	54,720,816	0	0	0		
Federal Revenue	50,000	2,417,817	2,467,817	0	1,499,836	0		26,765
Other State Revenue	1,266,450	3,924,390	5,190,840	280,933	106,353	0		
Other Local Revenue	235,990	4,518,159	4,754,149	900	789,528	4,871	30,958	58,741
Interfund Transfers In	0	0	0	0	5,000	373,000		592,235
Other Sources	0	0	0	0	0			
<b>Total Income</b>	<b>55,903,556</b>	<b>11,230,066</b>	<b>67,133,622</b>	<b>281,833</b>	<b>2,400,717</b>	<b>377,871</b>	<b>30,958</b>	<b>677,741</b>
<b>OUTGO:</b>								
Certificated Salaries	26,844,902	6,758,457	33,603,359	93,959				
Classified Salaries	6,745,806	4,375,729	11,121,535	100,491	859,970	0		0
Employee Benefits	10,453,394	6,932,448	17,385,842	64,809	275,936	0		0
Books and Supplies	2,343,589	1,155,646	3,499,235	11,814	1,058,893	0		26,700
Services, Other Operating Expenses	3,240,235	2,850,200	6,090,435	9,860	96,182	347,818		47,234
Capital Outlay	47,627	0	47,627	0	27,000	0		50,000
Other Outgo	898,632	0	898,632	0		0		349,574
Transfers of Indirect/Direct Costs	-1,021,384	953,612	-67,772	0	67,772			
Interfund Transfers Out	597,235	373,000	970,235					
Other Uses	0	0	0					
Contributions to Restricted Programs	12,309,267	-12,309,267	0	0	0			
<b>Total Outgo</b>	<b>62,459,302</b>	<b>11,089,825</b>	<b>73,549,128</b>	<b>280,933</b>	<b>2,385,753</b>	<b>347,818</b>	<b>0</b>	<b>473,508</b>

<b>Change in Fund Balance</b>	<b>-6,555,747</b>	<b>140,241</b>	<b>-6,415,506</b>	<b>900</b>	<b>14,964</b>	<b>30,053</b>	<b>30,958</b>	<b>204,233</b>
Projected Beginning Fund Balance	15,566,524	498,407	16,064,931	28,255	33,057	397,323	3,095,813	5,801,371
<b>Projected Ending Fund Balance</b>	<b>9,010,777</b>	<b>638,648</b>	<b>9,649,425</b>	<b>29,155</b>	<b>48,021</b>	<b>427,376</b>	<b>3,126,771</b>	<b>6,005,604</b>
Committed Fund Balance	0	0	0			427,376		
Non-Spendable Fund Balance	515,452		515,452		43,994			
Restricted Fund Balance	0	638,648	638,648	29,155	4,027			6,005,604
Assigned Fund Balance	332,772		332,772					
Unassigned - Economic Uncertainty	2,206,474	0	2,206,474					
<b>Remaining Unassigned</b>	<b>5,956,079</b>	<b>0</b>	<b>5,956,079</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,126,771</b>	<b>0</b>

<b>Solar:</b>	182,666
<b>Tech:</b>	4,016,234
<b>Bus:</b>	775,727
<b>Fac Need:</b>	1,030,976

Mr. Christensen noted the Local Control Funding Formula (page 25) funding difference at the bottom of the page. It showed a comparison of District funding in 2019-20 to the estimated funding in 2020-21. Mr. Christensen explained the Base Grant in all grade level spans showed a -7.92000% COLA and shared that in addition to not expecting the 2.31% COLA this year, both equate to an approximate 10% reduction in LCFF funding. Resulting in \$5.2 million cut for Santee School District; of which \$300,000 is associated with declining enrollment and the other \$4.9 million is the actual reduction based on the Governor's proposal. Mr. Christensen noted this was the reason the General Fund showed a \$6.5 million deficit in the Unrestricted General Fund Balance.

2020-21		Grade Spans			Total
Factor	Component	K-3	4-6	7-8	
<b>Base Grant</b>	Prior Year Base Grant	\$7,702.00	\$7,818.00	\$8,050.00	
	COLA	-7.92000%	-7.92000%	-7.92000%	
	Adjusted	\$7,092.00	\$7,199.00	\$7,412.00	
<b>Augmentations</b>	K-3 CSR	\$737.57			10.40%
<b>Supplemental</b>	EL Student Counts CBEDs				562
	F/R Student Counts CBEDs				2,546
	EL not F/R Counts CBEDs				93
	Total Estimated Unduplicated Count for Supplemental				2,639
	Current Year CBEDs Enrollment				6,767
	Estimated % of Population for Supplemental				40.77%
	Supplement to Base Amount per Student	\$1,565.91	\$1,439.80	\$1,482.40	20.00%
Supplement to Base Weighted for District	\$638.42	\$587.00	\$604.37		
<b>Concentration</b>	Per Student Increase for Concentration Factor	\$3,915.00	\$3,600.00	\$3,706.00	50.00%
	Estimated Supplemental student count over 55% of population				0
<b>Total</b>	Per Student Grant	\$8,467.99	\$7,786.00	\$8,016.37	
<b>ADA</b>	Total	3,052.81	2,145.18	1,367.81	6,565.80
<b>Entitlement Funding</b>	Base Grant	21,650,529	15,443,151	10,138,208	47,231,887
	Supplemental	1,948,960	1,259,219	826,659	4,034,838
	Concentration	0	0	0	0
	K-3 CSR (2020-21 Target = 24:1)	2,251,661			2,251,661
	Sub-Total	25,851,150	16,702,370	10,964,867	53,518,386
<b>Add-Ons</b>	Home to School Transportation				322,295
	TIIG				518,892
	Adjustment				(8,467)
<b>Total</b>	<b>Total Estimated 2020-21 Target</b>		<b>Per ADA:</b>	<b>\$8,277.91</b>	<b>54,351,116</b>
<b>Current Funding</b>	Prior Year LCFF Funding (Adjusted for ADA changes)				50,538,705
	Difference				(5,187,589)
	Adjustment				
100.00%	Estimated 2020-21 LCFF Funding Increase			-8.71%	(5,187,589)
	Estimated 2020-21 Total LCFF Funding				54,351,116

Mr. Christensen noted the red numbers in the Certificated Staffing (page 28) chart indicated the difference between general education teachers in 2019-20 and 2020-21. He noted there are 244 general education teachers at the nine (9) schools in 2019-20; but current staffing shows a need for 239 general education teachers for 2020-21. Mr. Christensen explained having three additional teachers as "buffers" for uncertainties and projecting 242 teachers for 2020-21, a drop of two (2) teachers from the budget; and noted the reduction of Administrative Interns were also included.

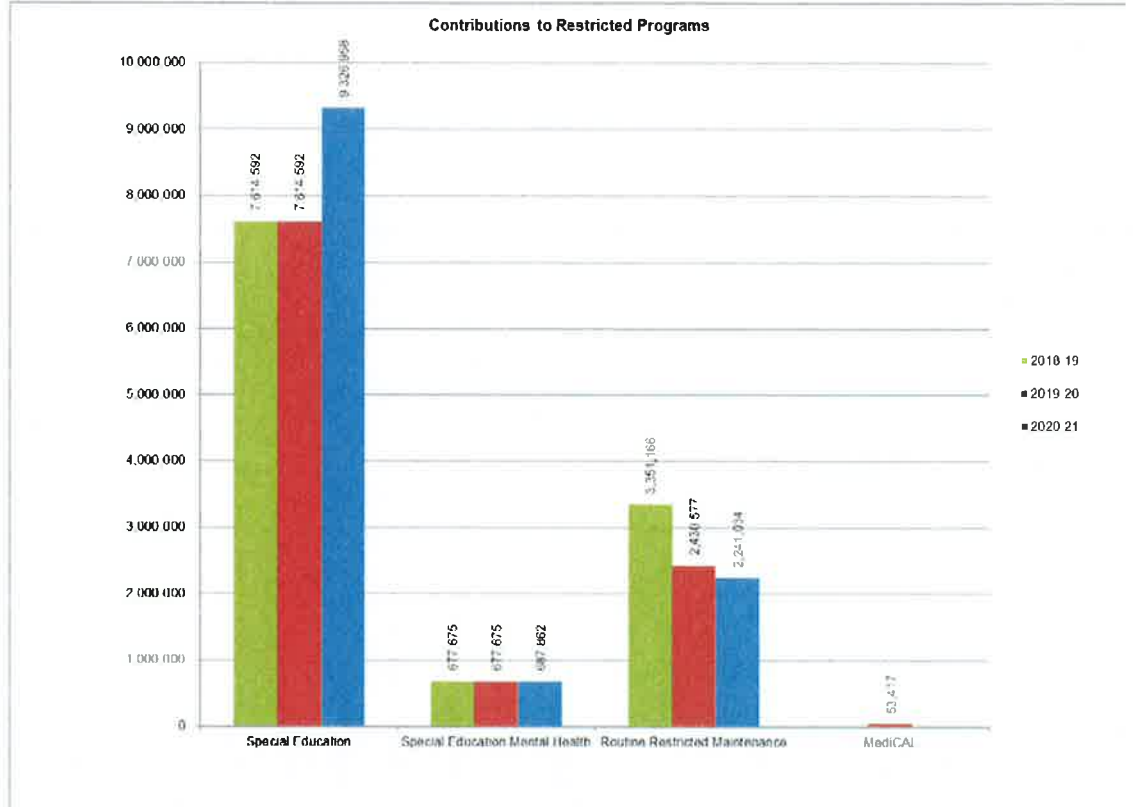
School	General Education								2019-20 Special Education				2020-21 Special Education				Principals		Vice Principals		Other <sup>1</sup>			
	2019-20		2020-21		2020-21 Budget				SDC	SLP	SLP	Other <sup>2</sup>	SDC	SLP	SLP	Other <sup>2</sup>	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21		
	TK-5 Class Ed	TK-5 Gen Ed	TK-5 Gen Ed	Buffer	TK-5 Class Ed	ESL	ESL	LA Special EDs															Other <sup>3</sup>	
Cedar Park	33.00	34.00	1.00	33.00	4.00		1.00		5.00	2.50	2.00	0.00	5.00	2.50	2.00	0.00	1.00	1.00	1.00	1.00				
Carlton Hills	24.00	24.00		24.00	0.00	1.00	1.00		4.00	1.00	3.00	0.00	4.00	2.00	3.00	0.00	1.00	1.00	1.00	1.00				
Carlton Oaks	28.00	28.00		28.00	0.00	1.00	1.00		5.00	4.00	1.00	2.00	5.00	3.00	1.00	2.00	1.00	1.00	1.00	1.00				
Chad P Harris	24.00	24.00		24.00	0.00		1.00		1.00	1.00	1.00	0.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00				
HE-Creek	28.00	27.00	1.00	28.00	0.00	1.00	1.00	1.00	2.00	2.00	1.00	0.00	2.00	2.00	1.00	0.00	1.00	1.00	1.00	1.00				
Pepper Drive	33.00	32.00	1.00	33.00	0.00	1.00	1.00	0.00	1.00	2.00	1.00	0.00	1.00	2.50	1.00	0.00	1.00	1.00	1.00	1.00				
PRIDE Academy	22.00	21.00		21.00	(1.00)	1.00	1.00		0.00	1.00	1.00	0.00	0.00	1.50	1.00	0.00	1.00	1.00	1.00	1.00				
Rita Beas	33.00	34.00		34.00	(1.00)	1.00	1.00		5.00	3.00	1.00	0.00	5.00	3.00	1.00	0.00	1.00	1.00	1.00	1.00				
Spokane Canyon	15.00	15.00		15.00	0.00	1.00	1.00		7.00	1.00	4.00	0.00	7.00	1.50	4.00	0.00	1.00	1.00	0.00	0.00				
<b>Sub-Total</b>	<b>244.00</b>	<b>239.00</b>	<b>3.00</b>	<b>242.00</b>	<b>(2.00)</b>	<b>8.00</b>	<b>8.00</b>	<b>1.00</b>	<b>30.00</b>	<b>18.00</b>	<b>15.00</b>	<b>2.00</b>	<b>30.00</b>	<b>18.00</b>	<b>15.00</b>	<b>2.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>
Superintendent					0.00																		1.00	1.00
Service Success Programs	1.00	1.00		1.00	0.00																			
Alternative Education	1.00	1.00		1.00	0.00																			
Special Education Centers					0.00					1.00	1.00	10.50		2.00	1.00	10.50							1.00	2.00
Human Resources/ Payroll Services					0.00																		2.00	2.00
Charter Services					0.00			10.00															4.00	4.00
<b>Grand-Total</b>	<b>246.00</b>	<b>241.00</b>	<b>3.00</b>	<b>244.00</b>	<b>(2.00)</b>	<b>8.00</b>	<b>8.00</b>	<b>11.00</b>	<b>30.00</b>	<b>20.00</b>	<b>16.00</b>	<b>12.00</b>	<b>30.00</b>	<b>21.00</b>	<b>16.00</b>	<b>12.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>

<sup>1</sup>Admin Interns, Demonstration Teachers, Coursework/Book Workers, School Funded RTTs, Curriculum Resource Teachers  
<sup>2</sup>Special Ed, AP/IE, Nurse, Psychologists, Program Specialist, Behavioral Specialist  
<sup>3</sup>Superintendent, Assistant Superintendents, Directors, Coordinators

Mr. Christensen shared the Statutory Benefit Rates (page 29) were for 2019-20 versus the next three year; and noted the decline in STRS percentages in the next few years. He explained the Governor has proposed repurposing some monies that were already put towards STRS to buy down the STRS rates further; and shared this will somewhat subsidize the LCFF cut. He shared the rate increase to 18.10000% in 2022-23; and noted PERS rates were structured in a similar manner.

Statutory Benefit	2019-20	2020-21	2021-22	2022-23
STRS (State Teachers Retirement System)	17.10000%	16.15000%	16.02000%	18.10000%
PERS (Public Employees Retirement System)	19.72100%	20.70000%	22.84000%	25.50000%
FICA (Social Security)	6.20000%	6.20000%	6.20000%	6.20000%
ARS (Alternative Retirement System to Social Security)	1.30000%	1.30000%	1.30000%	1.30000%
MEDI (Medicare)	1.45000%	1.45000%	1.45000%	1.45000%
SUI (State Unemployment Insurance)	0.05000%	0.05000%	0.06500%	0.08450%
W/Comp (Workers Compensation Insurance)	2.02000%	2.09000%	2.20000%	2.31000%

Mr. Christensen noted the Contributions to Restricted Programs by the Unrestricted General Fund (page 30) the showed a significant increase in special education contributions. He explained that in 1920, the State budget had given some additional monies for special education preschool; of which approximately \$1,000,000 of this is associated with the increase. He noted the decrease in Routine Restricted Maintenance were due to invoked budget reductions 2020-21; and noted the small contribution to the Medical was due to the audit appeal.



Mr. Christensen explained that the 2020-21 LCFF Annual Revenue Increase and Normal Cost Increases Comparison (page 33) showed the \$5.2 million dollar deficit and loss of revenue.





Mr. Christensen provided an overview of the Multi-Year Projects (page 25) with May Revise numbers. He noted the District's reserves would be 15.35%, with a structural deficit of \$4.9 million in 2020-21; and with assumptions of no COLA in 2021-22 and 2022-23 to LCFF, the reserve percentage drops to 4.98% in 2021-22; and to a -9.57% in 2022-23. Mr. Christensen also noted the ending fund balance in 2022-23 goes negative by almost \$10 million. He explained the need of adopting a resolution notifying the County that the District recognizes it will not meet the three-percent (3%) reserve in the third year of the multi-year projection and would need to enact \$3 million in cuts in 2021-22 in order for that situation not to occur in 2022-23. This would be over and above what is already enacted.

Mr. Christensen explained how these numbers would change with the proposed Legislators budget. He noted Legislators do not want to invoke all these cuts at once and invoke them as needed with time. Mr. Christensen explained that if the State does not receive \$14 billion in Federal funds, instead of a cut in LCFF, which would show up as a reduction to the reserve percentage and a negative number on the estimated structural deficit, we would enact more deferrals. This means the District can count the revenue in 2020-21, but cash would not be received until 2021-22; inflating the reserve percentage.

### General Fund Multi-Year Projection

Item	2019-20		2020-21		2021-22		2022-23	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Beginning Fund Balance	16,171,701	532,236	\$15,586,524	\$498,407	\$9,010,777	\$638,648	\$1,447,332	\$100,000
Fund Balance Adjustments	0		0					
Total Income	\$82,852,209	\$12,056,573	\$55,903,556	\$11,230,066	\$55,434,938	\$11,230,066	\$54,921,372	\$11,226,595
Total Outgo	\$83,457,388	\$12,080,402	\$82,459,302	\$11,089,825	\$82,998,383	\$11,788,714	\$86,047,020	\$11,226,595
Change in Fund Balance	(\$605,177)	(\$33,829)	(\$6,555,747)	\$140,241	(\$7,563,446)	(\$538,648)	(\$11,125,648)	\$0
Ending Fund Balance	\$15,566,524	\$498,407	\$9,010,777	\$638,648	\$1,447,332	\$100,000	(\$9,678,316)	\$100,000
Total Reserves	\$17,814,113		\$11,289,324		\$3,724,783		(\$7,396,220)	
Reserve as % of Expenditures	23.58%		15.35%		4.98%		-9.57%	
			Amount	Value	Amount	Value	Amount	Value
COLA:			-7.92%		0.00%		0.00%	
Assumed LCFF Rev Increase (w/ ADA changes):			-8.71%	(\$5,187,589)	-0.85%	(\$464,416)	-0.95%	(\$511,795)
Assumed LCFF [Base Only] Rev Increase (w/ ADA changes):			-8.02%	(\$4,631,740)	-0.56%	(\$302,089)	-0.82%	(\$441,136)
*Included Annual Operating Cost Increase Impact to Unr GF:			0.00%	\$1,795,872	0.00%	\$2,177,437	0.00%	\$3,203,923
Estimated Structural Surplus/(Deficit)			(\$4,925,668)		(\$7,558,548)		(\$11,130,548)	
GAP Funding:			100.00%	A:DOF	100.00%		100.00%	
1% Reserve Equivalent:			735,461		747,948		772,855	
1% LCFF Increase:			595,387		543,511		538,867	
1% Salary Increase Equivalent:			529,115		529,093		529,071	

\* Step & column, health benefits, statutory benefits, and inflation for utilities, insurance, and Restricted programs subject to contribution from Unrestricted General Fund

BUDGET CONDITION: **Red** **Red**

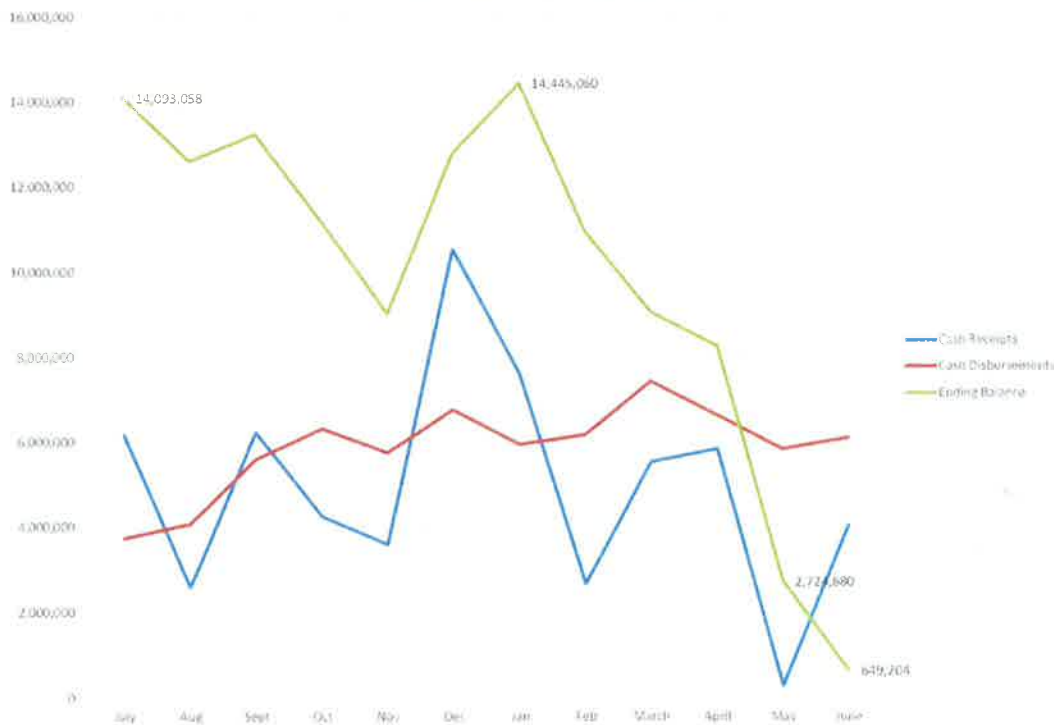
Mr. Christensen explained the Budget Conditions (page 36) and noted how the following three factors interplay to determine a Current State described by one of four colors; each with a set of possible, escalating remedial actions. He noted the District was currently in "red" state - significant fiscal distress.

- Reserve Percentage:** The amount of remaining Unassigned fund balance divided by Total Outgo (17% = 2 months of expenditures [*Optimal*]; 10% = about 1 month of expenditures [*Tolerable*]; 3% [*Insufficient*] (State Required Minimum) = less than 2 weeks of expenditures)
- On-Going Income Minus On-Going Outgo:** Positive Result [*Structural Surplus*]; Negative Result [*Structural Deficit*]
- Cash Flow:** All obligations met with General Fund cash [*Optimal*]; Internal borrowing needed [*Tolerable*]; External borrowing needed [*Insufficient*]

Current State	Condition	Measure	Operator	Budget Year	Budget Yr+1	Budget Yr+2	Possible Remedial Actions
GREEN = Healthy fiscal condition		Reserve %	At least 4 of 5 conditions met	≥ 17%	≥ 10%	≥ 10%	Manage budgets with normal routine methods
		On-Going INCOME minus OUTGO		STRUCTURAL DEFICIT ≤ -\$500k	STRUCTURAL DEFICIT ≤ -\$1m		
		Cash Flow	AND	Obligations met w/ General Fund cash	Obligations met w/ General Fund cash		
YELLOW = Some signs of pending fiscal disturbance		Reserve %	AND/OR	< 17%			Contain costs; minimize/eliminate discretionary expenditures where possible; enact MINIMAL impact budget reductions
		On-Going INCOME minus OUTGO		STRUCTURAL DEFICIT > \$0k; ≤ -\$1m	GROWING STRUCTURAL DEFICIT		
		Cash Flow	OR	Interfund borrowing needed	Interfund borrowing needed		
ORANGE = Prominent signs of pending fiscal distress		Reserve %	AND/OR	< 14%	< 12%		Enact MINIMAL to MODERATE impact budget reductions
		On-Going INCOME minus OUTGO		STRUCTURAL DEFICIT > \$1m	STRUCTURAL DEFICIT > \$1m		
		Cash Flow	OR	External borrowing needed	External borrowing needed		
X RED = Significant fiscal distress		Reserve %	OR	< 10%		< 3%	Enact SUBSTANTIAL impact budget reductions
		On-Going INCOME minus OUTGO		STRUCTURAL DEFICIT > \$2			
		Cash Flow					

Mr. Christensen provided an overview of the 2020-21 Estimated General Fund Cash Flow (page 39) and explained the District looks at cash receipts per month and cash disbursements, versus the ending cash balance. He noted the cash receipts fluctuate and noted they were substantially lower in May and June. Mr. Christensen explained there is a deferral on the June apportionment and pay in July. He noted there was enough “cash” to cover 2020-21 based on these assumptions. However, it may be difficult in 2021-22 when the District may have to borrow external cash.

2020-21 Estimated General Fund Cash Flow





<i>Motion:</i>	<u>El-Hajj</u>	<i>Burns</i>	<u>Aye</u>	<i>El-Hajj</i>	<u>Aye</u>
<i>Second:</i>	<u>Ryan</u>	<i>Ryan</i>	<u>Aye</u>	<i>Fox</i>	<u>Aye</u>
<i>Vote:</i>	<u>5-0</u>	<i>Levens-Craig</i>	<u>Aye</u>		

**1.4. Adoption of Resolution No. 1920-40 to Identify the Amount of Budget Reductions Needed for 2021-22 and 2022-23 and to Require that a List of Budget Reductions for 2021-22 be Included with the 2020-21 First Interim Report**

Karl Christensen, Assistant Superintendent of Business Services, explained that after the adoption of the District's budget for 2020-21, the District's multi-year projection (MYP) now indicates that if the assumptions built into the MYP materialize, the District would have a negative fund balance in 2022-23 and would therefore not meet the required three percent (3%) minimum reserve.

He explained that the District's budget for 2020-21, incorporates the Governor's proposal for an approximate eight percent (8%) reduction to Local Control Funding Formula (LCFF) revenue compared with 2019-20. Mr. Christensen shared that in order for the County Office of Education to approve the District's 2020-21 budget, they require adoption of a resolution to identify the amount of reductions/solutions needed to meet the required three percent (3%) minimum reserve for all three years of the Multi-Year Projections.

Member Levens-Craig moved approval.

<i>Motion:</i>	<u>Levens-Craig</u>	<i>Burns</i>	<u>Aye</u>	<i>El-Hajj</i>	<u>Aye</u>
<i>Second:</i>	<u>El-Hajj</u>	<i>Ryan</i>	<u>Aye</u>	<i>Fox</i>	<u>Aye</u>
<i>Vote:</i>	<u>5-0</u>	<i>Levens-Craig</i>	<u>Aye</u>		

**G. BOARD POLICIES AND BYLAWS**

President Burns noted items F.1.1, and F.1.2., were second readings; and shared items F.1.3., F.1.4, and F.1.5., were first readings and asked Board members to contact Administration if there were any questions and/or concerns.

- 1.1. **Second Reading: New Board Policy 3515.5, Sex Offender Notification**
- 1.2. **Second Reading: Revised Board Policy 3515.7, Firearms on School Grounds**
- 1.3. **Second Reading: BB 9270 – Conflict of Interest – Biennial Review**
- 1.4. **First Reading: New Board Policy 3530, Risk Management/Insurance**
- 1.5. **First Reading: New Board Policy 3540, Transportation**

Member Ryan moved approval of items F.1.1, F.1.2., and F.1.3.

<i>Motion:</i>	<u>Ryan</u>	<i>Burns</i>	<u>Aye</u>	<i>El-Hajj</i>	<u>Aye</u>
<i>Second:</i>	<u>Fox</u>	<i>Ryan</i>	<u>Aye</u>	<i>Fox</i>	<u>Aye</u>
<i>Vote:</i>	<u>5-0</u>	<i>Levens-Craig</i>	<u>Aye</u>		

**H. EMPLOYEE ASSOCIATION COMMUNICATION**

Melanie Hirahara, STA President, shared it was great being part of the District's Logistics Committee for reopening schools. She mentioned speaking with Executive Council and looking forward to continuing discussion on plans for next year.

President Burns expressed his gratitude towards Mrs. Hirahara, shared the importance of all stakeholder input, and noted teachers would be heard through the continued communication with the Association and Executive Council.

President Burns noted the Board's priority is to have students and staff back on campus on August 19. He shared the Board has been working with other constituents, the Public Health Director, etc. to establish the safest and best plan possible. President Burns mentioned Administration would be soliciting input from parents and staff as well. He noted that once the plan is established, stakeholders would assist on how it would be put into action. Mrs. Hirahara shared concerns about being part of the conversation after a plan is established.

**I. BOARD COMMUNICATION AND ORGANIZATIONAL BUSINESS**

Superintendent Baranski shared the 2019-20 had ended and being proud of everyone's hard work. She mentioned the Principals received many positive comments from parents on the promotion parades and videos; and expressed her gratitude for everyone's hard work.

Member Levens-Craig shared enjoying the promotion parades and noted it was great to see everyone's creativity. She mentioned staff was happy to be able to see their students one last time before promoting to high school. Member Levens-Craig shared participating on a CSBA webinars on school reopening guidance and budget. She noted it did not include any more information that had not already been discussed.

Member Fox shared attending various promotion parades; and noted all the parades were well organized. He shared it was great to see all the teacher-student interactions and complimented the families for their creativity.

Member Ryan shared participating in a budget webinar and noted that even though everyone is very positive, the Governor has the final say.

Member El-Hajj noted the work it entails to plan a regular promotion, and expressed her gratitude and commended staff for rising to the occasion and making this year's promotions memorable events. She shared it was great seeing all the yard signs all over town.

President Burns shared participating in the promotion parade with his niece at Cajon Park. He mentioned that prior to the parade, his niece and friends were talking about this unique school year but was proud on how they turned this year into a positive experience and how they were looking forward to starting high school. He complimented staff for the organization of the parade and making it a special event for students and parents.

President Burns shared that as the District looks at what next year will look like, he wanted to assure staff and community members that the Board and Executive Council have been very involved in trainings and webinars at a State, County, and local levels; and through the California School Boards Association. He mentioned being part of a Countywide committee looking at the various instructional models (i.e., hybrid, etc.). President Burns shared the Board and Executive Council have been looking at various options and models throughout the last few months to get a better perspective at a larger-level and help with putting the best plans for Santee in place. He noted being proud of the Board and Executive Council team for their work; and shared they are now ready to hear from the local stakeholders.

**J. ADJOURNMENT**

With no further business, the regular meeting of June 16, 2020 was adjourned at 8:32 p.m.

  
Elana Levens-Craig, Clerk

  
Dr. Kristin Baranski, Secretary