

# Paramount Unified School District



15110 California Avenue, Paramount, California 90723-4378  
(562) 602-6000 Fax (562) 602-8111

## BOARD OF EDUCATION

CARMEN GOMEZ  
*President*  
YESENIA CUARENTA  
*Vice President*  
SONIA DE LEON  
*Member*  
LINDA GARCIA  
*Member*  
VIVIAN HANSEN  
*Member*  
RUTH PÉREZ  
*District Superintendent*

## **STUDY SESSION OF BOARD OF EDUCATION**

### **MINUTES February 4, 2019**

The meeting was called to order at 5:32 p.m. by President Carmen Gomez in the Boardroom at the District Office, 15110 California Avenue, Paramount, California.

#### Roll Call

Trustee Carmen Gomez  
Trustee Yesenia Cuarenta  
Trustee Sonia De Leon  
Trustee Linda Garcia – 6:02p.m.  
Trustee Vivian Hansen

#### Administrators Present

Ruth Pérez, Superintendent  
Ruben Frutos, Assistant Superintendent-Business Services  
Myrna Morales, Assistant Superintendent-Human Resources  
Ryan Smith, Assistant Superintendent-Secondary Educational Services  
Debbie Stark, Assistant Superintendent-Educational Services  
Lucy Albera, Director-Nutrition Services  
Cindy DiPaola, Director-Maintenance & Operations  
Jessie Flores, Interim Director-Safety & Security  
Scott Law, Director-Facilities & Project Development  
Patricia Tu, Director-Fiscal Services  
Jim Wolff, Director-Technology

Approve Study Session  
Agenda February 4, 2019  
1.58

Trustee De Leon moved, Trustee Cuarenta seconded and the motion carried 4-0 to approve the agenda of the Study Session of February 4, 2019.

Ayes: 4 – Trustees Cuarenta, De Leon, Gomez, Hansen  
Absent: 1 - Trustee Garcia

## **HEARING SECTION**

There were no speakers during the Hearing Section.

### **General Services**

New Board Member  
Orientation

Superintendent Dr. Pérez shared with the Board that they would be receiving orientation information on the budget process and information on what the Governor has shared. The new Governor's priorities are different to the previous Governor and added that the Board will learn about the process on reporting Board items to the Board, how the Board is updated legally on the budget, expenditures and adopting the budget.

Ruben Frutos, Assistant Superintendent-Business Services commented that there are six primary departments in Business. Fiscal, Facilities, Maintenance & Operations, Nutrition Services, Technology, Safety & Security.

Mr. Frutos commented that he would be introducing each of his Directors so that they could provide the Board with information on what their offices are responsible for. Patricia Tu, Director-Fiscal Services shared that her office is responsible for payroll, accounts payable & receivable, financial reports, budgets and accounting. President Gomez asked how many people are in the Fiscal Services department? Patricia shared that there are a total of 12 that consist of three (3) Accounts Payable, four (4) Payroll Technicians, three (3) Budget Technicians, one (1) Assistant Director and herself, the Director. Scott Law, Director-Facilities-Project Development shared that he is responsible for modernization, construction, facilities utilization and project planning. He added that he is currently working on 22 projects and works mostly with architects and outside agencies. Cindy DiPaola, Director-Maintenance & Operations shared that her department is responsible for building maintenance and repairs, custodial services, transportation and vehicle maintenance, reprographics, the warehouse, procurement & contracts. Lucy Albera, Director-Nutrition Services shared that her department is responsible for food services including menu planning and catering. Jim Wolff, Director-Technology commented that his department oversees network services, computer services installation and repair, server based systems, e-rate program, district software, phone systems and telecommunications, student computing and system security. President Gomez asked if all employees go through FERPA training? Mr. Frutos shared that the District has to comply with all protection regulations but are not obligated to provide specific training as our filters that Technology implements in partnership with the Los Angeles County Office of Education have to subscribe to all regulations for the internet. Jessie Flores, Interim Director-Safety & Security shared that he is responsible for District-wide security personnel, security and alarm companies, locksmith services, safety initiatives, surveillance systems, and works with SRO partnerships.

Mr. Frutos further added that his office oversees the Risk Management which consists of Property & Liability, Workers Compensation, reviews District contracts and it oversees Health benefits insurance, Dental and Life Insurance, the District's financing, its Bond program and Bridge Financing.

#### Governor's Proposals for 2019-20 State Budget and K-12 Education

Mr. Frutos shared the themes for the 2019-20 Governor's Budget.

- Governor Gavin Newsom's first State Budget lays the groundwork and signals his governing philosophy and outlook for the next four years
- The recovery from the Great Recession is in its tenth year and some fear a downturn is looming
- The growth in Proposition 98 for 2019-20 is meager even though state revenues are outpacing the forecast
- School Districts will continue to face budget challenges as Local

- Control Funding Formula (LCFF) funding flattens and costs rise
- The education budget contains some new proposals, but Governor Newsom's early childhood education initiative will take center stage

### California Economy

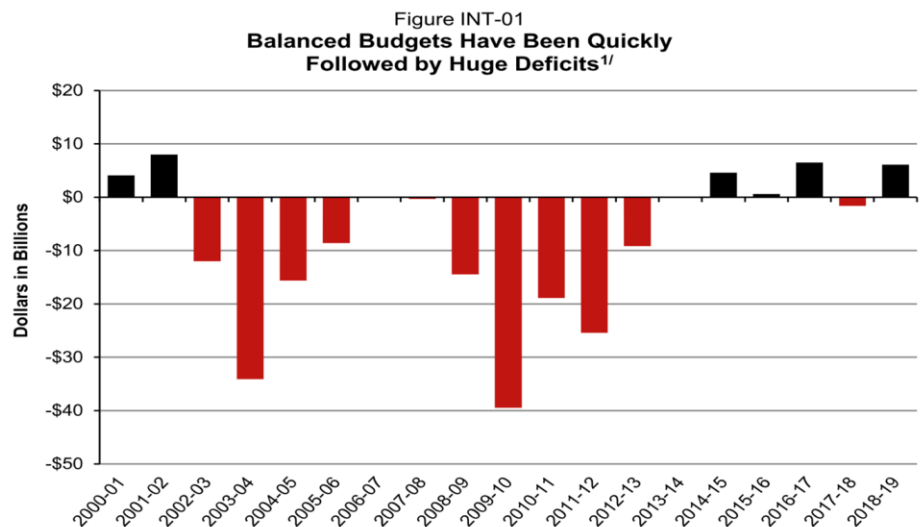
- The California economy continues to grow but at a slower rate than the immediate years following the Great Recession
- Continued growth of the economy will rely on three major factors, which may be difficult to achieve
- The Budget assumes steady job growth and a more balanced distribution of wage increases across all workers

### Risk to the California Economy and State Budget

- Governor Newsom and the UCLA economists identify a different set of key risks to California's economy – they aren't mutually exclusive

Governor	UCLA
<ul style="list-style-type: none"> <li>Policy conflicts with the federal government</li> <li>Volatile stock market</li> <li>An aging population</li> </ul>	<ul style="list-style-type: none"> <li>Unratified tri-party trade agreement between California, Mexico, and Canada</li> <li>Continued trade tensions between the U.S. and China</li> </ul>

- The health of the economy drives state revenues and thus the State Budget



<sup>1/</sup> Budget shortfalls or surplus, measured by the annual Governor's Budget.

### California School District Budgeting Cycle

- June - Year End Closing
- July – Budget Adoption
- September – Unaudited Actuals

- October – Enrollment Reports /Federal Funding
- December – First Interim Report / Prior Year Audit Report
- January – Governor’s Budget
- March – Second Interim Report
- April – Attendance Report
- May – Governor’s May Revision

Unrestricted	Restricted
<ul style="list-style-type: none"> <li>• Local Control Funding Formula (LCFF)               <ul style="list-style-type: none"> <li>– General Fund School Program</li> <li>– Supplemental &amp; Concentration Grants</li> <li>– Add-on Grants</li> </ul> </li> <li>• Donations</li> </ul>	<ul style="list-style-type: none"> <li>• Specially Funded Programs:               <ul style="list-style-type: none"> <li>– Categorical Programs (Title I)</li> <li>– Grants</li> </ul> </li> <li>• Special Education</li> <li>• Cafeteria</li> <li>• Bond</li> </ul>

- ❑ The LCFF consolidated the majority of the categorical programs, thereby eliminating the spending restrictions.
- ❑ The Local Control Accountability Plan (LCAP) is the plan on how districts are held accountable for using LCFF funds and supporting targeted youth.

**LCFF - How the State funds Paramount USD**

The District receives a Base Grant for every student.



The District receives a Supplemental Grant for every high-needs student.



The District receives a Concentration Grant for every high-needs student over 55% total enrollment.



**LCAP Gap Closure (billions of dollars)**

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Transition Funding	\$2.067	\$4.722	\$5.994	\$2.942	\$1.362	\$2.883
Gap Closure	12.00%	30.16%	52.56%	56.08%	44.97%	100%
COLA	1.57%	0.85%	1.02%	0.00%	1.56%	2.51%
Percent of Target Funded	72%	80%	90%	96%	97%	100%

### Local Control Funding Formula

Revenue	2016-17	2017-18	2018-19	2019-20
<b>Supplemental &amp; Concentration</b>	39,626,451	42,286,781	47,706,878	47,769,507
<b>Base</b>	116,592,517	117,605,722	123,393,162	123,531,622
<b>Total</b>	<b>156,218,968</b>	<b>159,892,503</b>	<b>171,100,040</b>	<b>171,301,129</b>
<b>Target Entitlement</b>	<b>165,287,321</b>	<b>166,325,794</b>	<b>171,100,040</b>	<b>171,301,129</b>

### 2019-20 Local Control Funding Formula

- The State Budget proposes \$2 billion towards LCFF to fund the 3.46% statutory COLA
  - This brings LCFF funding to \$63 billion (up from \$61 billion in 2018-19)
- 2019-20 LCFF growth provides an average increase in per-pupil funding of an estimated \$343 per ADA, or 3.37% (individual results will vary)
  - The lower 3.37% increase takes into consideration that no COLA is provided for Targeted Instructional Improvement Grant, Transportation, or Economic Recovery Target
- Supplemental and concentration grants are calculated based on the percentage of an LEA's enrolled students who are English learners, free and reduced-price meal program eligible, or foster youth – the unduplicated pupil percentage (UPP)

### What's not in the budget – Discretionary Grant Funding

- During the last four years of the economic recovery, school districts have experienced major upward revisions of the current-year Proposition 98 guarantee, providing huge one-time discretionary grants in the following year
  - 2018-19: \$1.1 billion or \$184 per ADA
  - 2017-18: \$877 million or \$147 per ADA

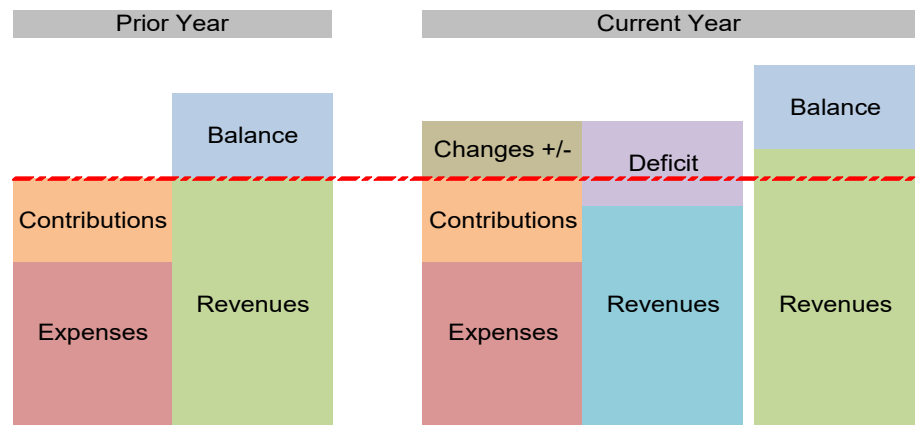
- 2016-17: \$1.3 billion or \$214 per ADA
- 2015-16: \$3.2 billion or \$530 per ADA
- In contrast, the Governor’s Budget indicates that Proposition 98 has been revised downward in the current year and therefore no discretionary grant funding is proposed for 2019-20
  - Nor does Governor Newsom use other one-time funds for discretionary grant funding

### Early Care and Education

- One of Governor Newsom’s most aggressive budget investments is made in the early care and education sector
- In total, the 2019-20 Budget includes over \$2.4 billion in programs and services to children and families
  - Most are one-time investments
  - Nearly all of them are funded with non-Proposition 98 dollars

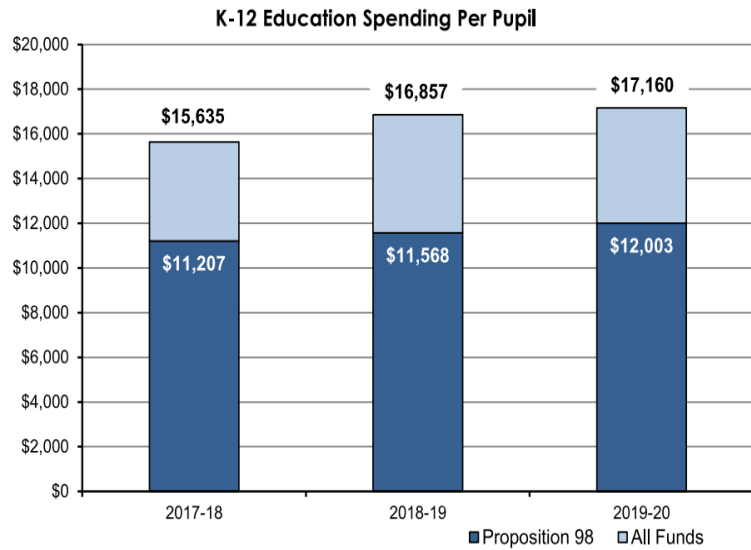
### Budget Development

The adopted budget is a plan based on information provided in a specific time period. The plan evolves as the year progresses and the district receives updated information and funding.

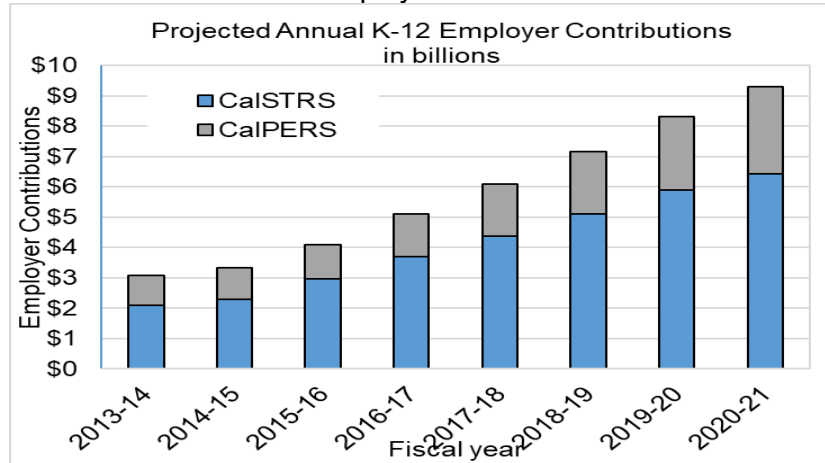


### Budget Development Process & Indicators

- LCFF
- LCAP
- FEDERAL FUNDING (TITLES)
- Attendance & Enrollment decline
- End of Gap funding
- No one-time funds planned
- COLA
- CalPERS & CalSTRS
- Staffing
- Special Education



**CalSTRS & CalPERS: Employer Contribution Rates**

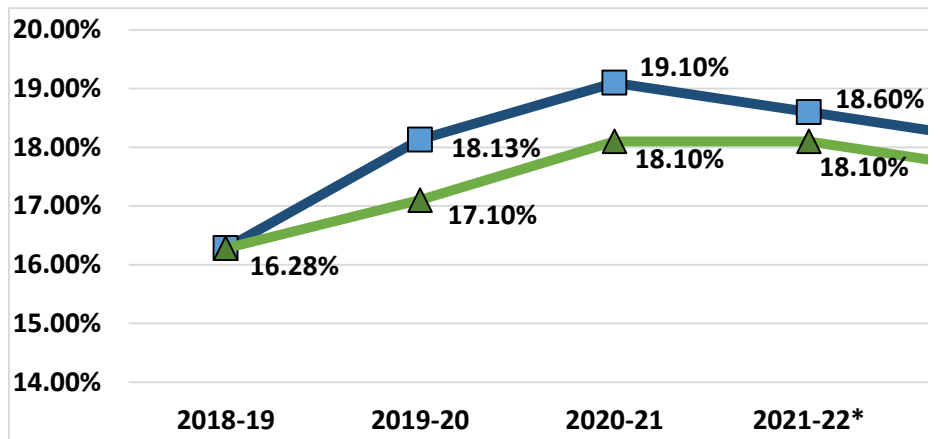


**Projected K-12 Employer Contributions as a percentage of payroll**

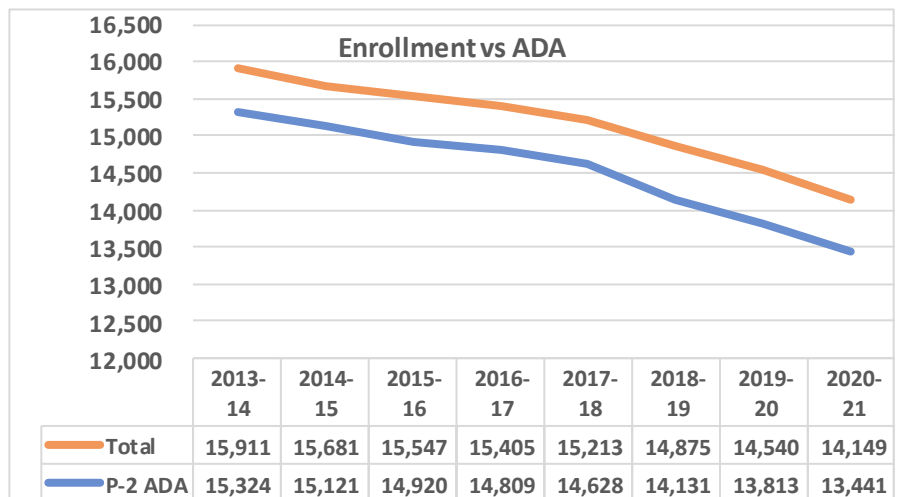
Fiscal Year	CalSTRS	CalPERS
Current Year	14.43	15.531
2018-19	16.28	17.7*
2019-20	18.13	20.0*
2020-21	19.10	22.7*
2021-22	18.10*	23.7*
2022-23	18.10*	24.3*
2023-24	18.10*	24.8*
2024-25	18.10*	25.1*

\* Projected

**CalSTRS Employer Contribution Rates – Current Laws vs Governor’s Proposal**



\*Beginning in 2021-22, the CalSTRS Board has authority to increase/decrease the employer contribution rate (with some restrictions) to fully fund the unfunded liability by 2046



#### AB 1200 Oversight Changes

- Under previous laws, the Fiscal Crisis & Management Assistance Team (FCMAT) would only engage districts upon the request of the district or COE
- As a result of changes in the 2018-19 Budget Act, FCMAT will now automatically engage under the following conditions:
  - Disapproved budget
  - Negative interim report
  - Three consecutive qualified reports
  - Downgrade of interim certification
  - “Lack of going concern” designation
- As part of this engagement, FCMAT may engage in a fiscal health risk analysis
  - Analysis will be coordinated with the COE and is expected to build upon the COE oversight process at no cost to the COE or district

#### Budget Next Steps

- State level
  - Budget committee hearings
  - Next update – May Revision
- Local level



- Second Interim report due by March 19, 2019, for school districts

### Contracts and Procurement – Legal Process

Mr. Frutos and Ms. DiPaola provided the Board with information on contracts and the procurement process.

- In accordance with California Education Code 42632 and Governing Board Policy, only authorized individuals appointed by the Governing Board may financially obligate the Paramount Unified School District. The District requires issuance of a signed purchase order or contract to a vendor prior to furnishing any services, equipment or materials.
- PUSD Board Policy: All purchases shall be made by formal contract or purchase orders, or shall be accompanied by a receipt. BP 3310(a)
- To be valid or to constitute an enforceable obligation against the District, all contracts must be approved and/or ratified by the Board. Education Code 17604
- The procurement of supplies, equipment and services necessary for the operation of the District are centralized in the Purchasing Department of the Business Services Division under the direction and supervision of the Director of Purchasing.

#### **BID PROCESS**

#### **PIGGIBACK PROCUREMENT**

#### **UNIT PRICING**

#### **COMMODITY PURCHASING**



#### **CONTRACT INFORMATION:**

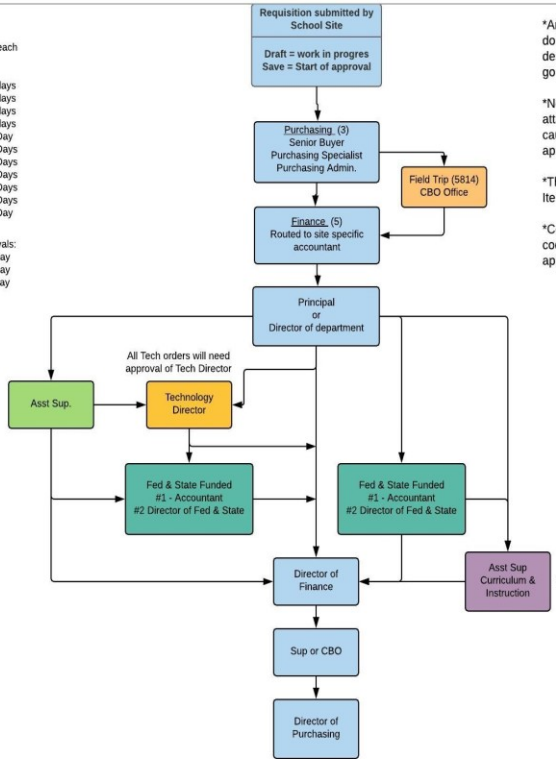
All contracts should contain certain basic information. This information should include but is not limited to the following:

- The name of the parties.
- The dates or term of the contract.
- The responsibilities and obligations of the parties.
- The terms of payment.
- The procedure for termination of the contract.
- Signature lines for the authorized individuals executing the contract

PRESENTATION BASE 2018-2019 PURCHASING

FLOW CHART

- Maximum Approval Times for each step:
- Purchasing:
    - Sr Buyer - 2 days
    - Purchasing Spec - 2 days
    - Admin - 2 days
  - Finance - 2 days
  - Principal/Director - 1 Day
  - Fed/State - Accountant - 2 Days
  - Director - 2 Days
  - Asst Sup - 2 Days
  - Director of Finance - 2 Days
  - Superintendent/CBO - 1 Day
  - Director of Purchasing - 1 Day
- REQS that require extra approvals:
- CTE - Rob Hoffman 1 Day
  - Field Trips - K. Fuentes 1 Day
  - Technology - D Weiser 1 Day



- \*Any changes made to the line items, dollar amount account string or descriptions will cause the requisition to go back to the first approver (Purchasing)
- \*Notes can be changed or added, attachments can be saved without causing the requisition to return to start of approvals
- \*This approval path is the same for Itemized and Blanket PO's
- \*Certain dollar thresholds or commodity codes may cause the need for additional approvals

## THE LOCAL CONTROL FUNDING FORMULA

An Introductory Overview

**LCFF**

California's education system has undergone a massive shift in school funding and financing. Enacted in 2013, the Local Control Funding Formula (LCFF) replaced the previous model of revenue limits and categorical programs, that had been in effect for 40 years, with a simplified system of grants:

**BEFORE**

Revenue Limits & Categorical Programs

**NOW**

Block Grant, Supplemental Grant, Computation Grant

**3 Pillars of LCFF**

**EQUITY**

High need LEAs get the funds needed to close achievement gaps, moving from equality towards equity.

**LOCAL CONTROL**

Decisions are made locally to meet local needs, moving from top-down orders to ground-level solutions.

**CONTINUOUS IMPROVEMENT**

Every year will get better, moving from compliance towards incremental improvement, and leading the way to increased equity and accountability.

**Local Control & Accountability Plans**

A key part of LCFF legislation requires each LEA to create an annual LCAP that:

- Lists the **goals** they are working to achieve,
- defines **outcomes** they plan to reach,
- details **actions** they will take,
- & tracks **expenditures** that fund the process.

By transparently presenting their plan, LEAs are held accountable by teachers, parents, and advocacy groups that are engaged in the LCAP creation & annual review process.

**State Priorities & Metrics**

LEAs may report student progress as they see appropriate, but must address at a minimum the 9 priorities & 26 metrics specified by the State in the LCAP instructional accountability.

**LCAP Planning Cycle**

Adopt, Consult, Review, Input

To support continuous improvement, LEAs are required to complete the LCAP planning cycle each year:

- Consult** (review last year's plan with stakeholders to determine necessary changes)
- Review** (review & draft new LCAP)
- Input** (publicly available for comment before board approval)
- Adopt** (board approval, followed by County approval)

**Examples of the 26 metrics include:**

1. Appropriately assigned / contracted teaching
2. Instructional leadership
3. Engagement of parent & community
4. Engagement of parent & community
5. Parent input on decision making
6. Student assessment results
7. Student assessment results
8. School attendance rates
9. Student assessment results
10. Student assessment results
11. Student assessment results
12. Student assessment results
13. School attendance rates
14. Student assessment results
15. Student assessment results
16. Student assessment results
17. Student assessment results
18. Student assessment results
19. Student assessment results
20. Student assessment results
21. Student assessment results
22. Other local measures
23. Broad course of study

**California School Dashboard**

Launched in 2017, the Dashboard reports school & LEA performance for accountability & interventions. Under performing LEAs receive collaborative interventions & support from the CDEE & their County Office of Education.

State Indicators: 62% (62%)

Local Indicators: 62% (62%)

State Performance Levels: 62% (62%)

Local Performance Levels: 62% (62%)

Per Student State Annual: \$

ADJUSTMENTS: Grade Level, Demographics (Low Income, English Learners, Foster Family Youth)

**Fulfilling the Promise**

Through stakeholder engagement, a commitment to transparency, and accountability, we fulfill the promise of the LCFF.

Improve our children's education, & make California's future better.

How Everyone Benefits:	Parents	Teachers & Administrators	Students	Community Members	Employers
<b>Transparency</b>	Know what your children are and how they are doing.	Know what resources are allocated for your school.	Know what resources & services are available to you.	Know how your tax dollars are invested in your community's future.	Know how well your future employees are prepared for the workforce.
<b>Accountability</b>	Ensure that your children are achieving the necessary outcomes for their future.	Ensure that your school is receiving the necessary resources.	Ensure that your school is receiving the necessary resources to best serve you.	Ensure that your school is receiving the necessary resources to best serve you.	Ensure that your employees are receiving the necessary resources to best serve you.
<b>Engagement</b>	Participate in improving the quality of your children's education.	Participate in setting educational expectations.	Participate in improving your school's future.	Participate in setting the vision for your school's future.	Participate in planning for the future of your business.

**ADJOURNMENT**

Trustee Hansen moved, Trustee De Leon seconded, and the motion carried 5-0 to adjourn the Study Session meeting of the Board of Education held on February 4, 2019 at 7:36 p.m.

Ayes: 5 – Trustees Cuarenta, De Leon, Garcia, Gomez, Hansen

\_\_\_\_\_  
Ruth Pérez, Secretary  
To the Board of Education

\_\_\_\_\_  
President

\_\_\_\_\_  
Vice President/Clerk