

Paramount Unified School District



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BOARD OF EDUCATION

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RUTH PÉREZ
District Superintendent

STUDY SESSION MEETING OF BOARD OF EDUCATION

MINUTES November 18, 2019

The meeting was called to order at 5:31 p.m. by President Carmen Gomez in the Boardroom at the District Office, 15110 California Avenue, Paramount, California.

Roll Call	Carmen Gomez Yesenia Cuarenta – 5:35p.m. Sonia De Leon	Linda Garcia 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 Jessie Flores, Interim Director-Safety & Security Jim Wolff, Director-Technology	
Pledge of Allegiance	Ruben Frutos, Assistant Superintendent-Business Services	
Approve Study Session Meeting Agenda November 18, 2019 1.362	Board Member Garcia moved, Board Member Hansen seconded and the motion carried 4-0 to approve the agenda of the Study Session Meeting of November 18, 2019. Ayes: 4 – Board Member Cuarenta, De Leon, Hansen, President Gomez Absent: 1 – Vice President Cuarenta	

HEARING SECTION

There were no speakers during the public hearing section.

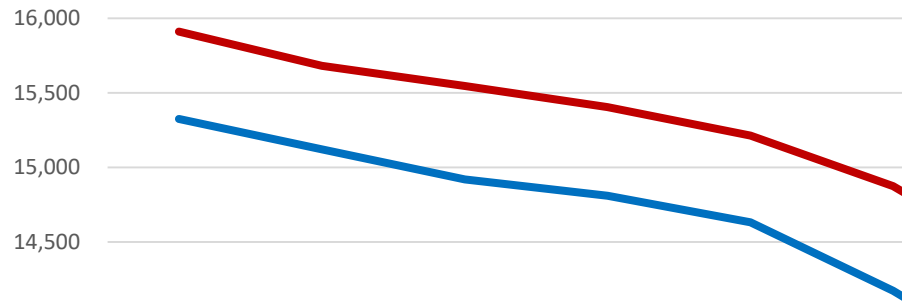
INFORMATION ITEMS

General Services

2019-20 Enrollment and Financial Update

Mr. Ruben Frutos, Assistant Superintendent-Business Services presented the Board with information on enrollment and budget implications.

Enrollment vs Attendance



- **Enrollment and Attendance decline** – PUSD annual decline average is increasing
- **Past years' one time State funding**
- **District fiscal stability**
 - District reserves
 - Cost savings

Presentation Goals

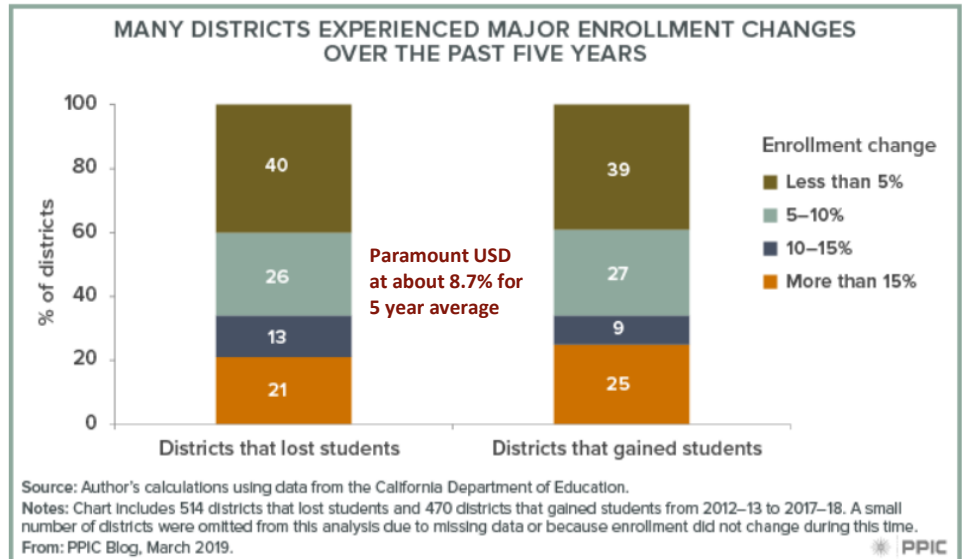
- Multi-year enrollment decline analysis
- Impact of enrollment decline
- District financial condition – balance and deficit analysis
- Forecasting and planning

Grades decline over 5 years

Grade	5 Yr
K	-20.71%
4	-18.50%
5	-13.22%
1	-13.02%
6	-10.31%
10	-8.28%
Total	-7.94%
2	-7.37%
7	-6.37%
11	-6.15%
3	-1.70%
9	-0.72%
12	0.00%
8	2.81%

Grades decline over 10 years

Grade	10 Yr
1	-23.91%
10	-15.23%
2	-14.71%
5	-14.54%
K	-11.20%
Total	-9.33%
3	-9.33%
4	-8.77%
11	-8.23%
7	-7.07%
6	-7.06%
9	-4.23%
12	-0.61%
8	1.83%



- Possible reasons for migration
- Housing availability and affordability (construction)
- Employment opportunities
- Cost of living

Table 9. California Counties with the Greatest Enrollment Change from 2003 to 2018

County	Enrollment Change 2003-2018	% Enrollment Change	Median Housing Value 2018	Median Household Income 2018	Median Gross Rent 2018	Hourly Living Wage 2018	Living Wage to Income (a)	Housing Value to Income (b)	Rent to Income (c)
Los Angeles ↓	-250,221	-14%	\$465,000	\$57,952	\$1,264	\$19	0.66	8.0	26%
Solano ↓	-8,256	-12%	\$305,900	\$69,227	\$1,337	\$18	0.52	4.4	23%
Orange ↓	-29,629	-6%	\$584,200	\$78,145	\$1,608	\$20	0.51	7.5	25%
Ventura ↓	-7,558	-5%	\$481,400	\$78,593	\$1,572	\$20	0.51	6.1	24%
San Bernardino ↓	-15,947	-4%	\$256,000	\$54,469	\$1,144	\$18	0.66	4.7	25%
Santa Clara ↑	20,934	8%	\$752,400	\$101,173	\$1,813	\$21	0.42	7.4	22%
San Joaquin ↑	17,179	13%	\$246,900	\$55,045	\$1,057	\$17	0.62	4.5	23%
Tulare ↑	3,819	15%	\$169,600	\$42,789	\$847	\$17	0.80	4.0	24%
Riverside ↑	64,135	18%	\$276,300	\$57,972	\$1,212	\$18	0.62	4.8	25%
Kern ↑	29,792	19%	\$175,600	\$49,788	\$905	\$17	0.68	3.5	22%

Source: For enrollment change: California Department of Education Enrollment by School, 2003-2018; for median housing value (median value of owner-occupied housing units 2012-2016), median household income, median gross rent: U.S. Census Bureau, American Community Survey (ACS), 5-Year Estimates. For hourly living wage: Living Wage Calculator (livingwage.mit.edu), two-parent, two-child households.

Table 3. L.A. County and L.A. Unified Boundary Area Estimated Births and Birthrate Change, 2003-2021

School Year	Births in County Lagged 5 Years	Est. Births in District Lagged 5 Years	# Change	% Change
2003-2004	158,604	70,000		
2004-2005	156,153	69,000	-1,000	-1.43%
2005-2006	157,391	68,000	-1,000	-1.45%
2006-2007	153,523	65,000	-3,000	-4.41%
2007-2008	151,167	63,000	-2,000	-3.08%
2008-2009	152,192	63,000	0	0.00%
2009-2010	151,504	63,000	0	0.00%
2010-2011	150,377	63,000	0	0.00%
2011-2012	151,837	64,000	1,000	1.59%
2012-2013	151,813	65,000	1,000	1.56%
2013-2014	147,684	67,000	2,000	3.08%
2014-2015	139,679	67,000	0	0.00%
2015-2016	133,160	68,000	1,000	1.49%
2016-2017	130,312	66,000	-2,000	-2.94%
2017-2018	131,697	64,000	-2,000	-3.03%
2018-2019	128,523	63,000	-1,000	-1.56%
2019-2020	130,150	61,000	-2,000	-3.17%
2020-2021	124,438	58,000	-3,000	-4.92%
Total	2,600,204	1,167,000	-12,000	-17.14%
Average			-706	-1.01%

Source: L.A. Superintendent's Final Budget 2012-13 and 2018-19

Table A. Los Angeles County School Districts by % Enrollment Change, 2003-2018

District	Enroll 2003-04	Enroll 2017-18	# Enroll Change	% Enroll Change	Grad Rate 2016-17	% EL 2017-18	% FRL 2017-18
Acton-Agua Dulce Unified	1,994	14,855	12,861	645%	94%	7%	48%
Wesburn Unified	2,008	4,485	2,487	124%	-	8%	37%
Alhambra Unified	11,163	16,855	5,692	51%	94%	24%	67%
Gorman Joint	1,995	2,604	609	31%	-	3%	41%
Hermosa Beach City Elementary	1,044	1,361	317	30%	-	2%	5%
Westside Union Elementary	7,433	9,124	2,001	27%	-	7%	48%
Eastside Union Elementary	2,720	3,402	682	25%	-	24%	89%
Redondo Beach Unified	8,057	9,937	1,880	23%	96%	5%	17%
West Covina Unified	10,518	12,754	2,236	21%	92%	8%	66%
William S. Hart Union High	21,122	25,080	3,958	19%	94%	7%	31%
San Gabriel Unified	6,265	7,244	979	16%	88%	23%	64%
South Pasadena Unified	4,199	4,794	595	14%	92%	6%	19%
El Segundo Unified	3,196	3,474	278	9%	96%	4%	17%
Claremont Unified	6,846	7,075	229	3%	94%	6%	38%
Manhattan Beach Unified	6,441	6,647	206	3%	97%	1%	5%
Culver City Unified	6,950	7,048	98	1%	96%	11%	34%
Antelope Valley Union High	22,148	22,726	578	3%	83%	10%	71%
Temple City Unified	5,702	5,831	129	2%	96%	20%	44%
Palmdale Elementary	22,736	22,777	41	0%	-	24%	85%
Cerritos Valley Union High	7,565	7,501	-64	-1%	85%	18%	75%
Bonita Unified	10,203	10,088	-115	-1%	94%	6%	38%
Newhall	6,672	6,537	-135	-2%	-	24%	42%
Palos Verdes Peninsula	11,605	11,346	-259	-2%	98%	8%	7%
Saugus Union	10,204	9,960	-244	-2%	-	12%	24%
Downey Unified	22,523	21,962	-561	-2%	95%	15%	69%
Sulphur Springs Union	5,573	5,385	-178	-3%	-	24%	64%
Lancaster Elementary	15,799	15,212	-587	-4%	-	17%	85%
La Canada Unified	4,343	4,167	-176	-4%	98%	5%	5%
Lowell Joint	3,305	3,147	-158	-5%	-	8%	40%
Arcadia Unified	9,992	9,460	-532	-5%	98%	13%	26%
Whittier Union High	12,557	11,851	-706	-6%	89%	6%	37%
Lennox	7,696	7,244	-452	-6%	-	41%	93%
San Marino Unified	3,266	3,072	-194	-6%	95%	10%	7%
Glendora Unified	7,924	7,444	-480	-6%	97%	6%	30%
Torrance Unified	25,229	23,496	-1,733	-7%	96%	16%	30%
Las Virgenes Unified	12,170	11,323	-847	-7%	92%	6%	13%
East Whittier City Elementary	9,332	8,650	-682	-7%	-	12%	53%
Walnut Valley Unified	15,458	14,310	-1,148	-7%	97%	12%	22%
ABC Unified	22,226	20,550	-1,676	-8%	91%	19%	52%
Duarte Unified	4,692	4,318	-374	-8%	90%	15%	67%
Lawndale Elementary	6,484	5,953	-531	-8%	-	33%	83%
Keppel Union Elementary	2,976	2,718	-258	-9%	-	34%	83%
Paramount Unified	17,013	15,213	-1,800	-11%	87%	34%	92%
Burbank Unified	17,066	15,173	-1,893	-11%	93%	11%	37%
Glendale Unified	29,433	26,071	-3,362	-11%	89%	22%	50%
El Monte Union High	10,254	8,880	-1,374	-13%	84%	20%	88%
Baldwin Park Unified	19,287	16,695	-2,592	-13%	92%	19%	87%
Little Lake City Elementary	5,220	4,475	-745	-14%	-	15%	71%
Hawthorne	9,875	8,364	-1,511	-15%	-	30%	88%
Monrovia Unified	6,578	5,583	-1,015	-15%	89%	13%	60%
Whittier City Elementary	7,232	6,104	-1,128	-16%	-	17%	75%
Santa Monica-Malibu Unified	12,842	10,806	-2,036	-16%	93%	9%	24%
Los Angeles Unified	747,009	621,414	-125,595	-17%	76%	23%	81%
Pasadena Unified	22,669	18,164	-4,505	-20%	85%	15%	59%
Covina-Valley Unified	15,035	13,032	-3,173	-21%	95%	9%	68%
Bellflower Unified	15,522	11,946	-3,576	-23%	91%	19%	69%

Grade Level	Actual Enrollment (CDE)				Unaudited	Projected		
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
K	1,198	1,260	1,197	1,167	1,051	999	1,052	1,042
1	1,087	1,006	1,056	1,052	980	875	918	878
2	1,060	1,058	1,005	1,047	1,054	980	855	906
3	1,249	1,058	1,076	994	1,031	1,040	972	838
4	1,182	1,276	1,069	1,102	1,018	1,040	1,035	961
5	1,177	1,165	1,280	1,089	1,078	1,011	1,032	1,014
6	1,184	1,203	1,224	1,305	1,162	1,079	1,031	1,050
7	1,233	1,194	1,240	1,267	1,297	1,118	1,116	1,027
8	1,212	1,244	1,204	1,243	1,255	1,279	1,103	1,111
9	1,287	1,254	1,266	1,232	1,214	1,245	1,250	1,105
10	1,242	1,293	1,256	1,238	1,209	1,186	1,245	1,231
11	1,251	1,236	1,265	1,198	1,248	1,160	1,159	1,202
12	1,319	1,300	1,267	1,279	1,278	1,300	1,100	1,125
Total	15,681	15,547	15,405	15,213	14,875	14,312	13,868	13,490
	(230)	(134)	(142)	(192)	(338)	(563)	(444)	(378)
% Change	-1.45%	-0.85%	-0.91%	-1.25%	-2.22%	-3.78%	-3.10%	-2.73%
P-2 ADA	15,121.25	14,920.52	14,809.37	14,632.73	14,173	13,596	13,175	12,816
ADA-to-Attendance Ratio	96.43%	95.97%	96.13%	96.19%	95.28%	95.00%	95.00%	95.00%
	-1.33%	-1.33%	-0.74%	-1.19%	-3.14%	-4.07%	-3.10%	-2.73%

What is the projected decline impact on PUSD?

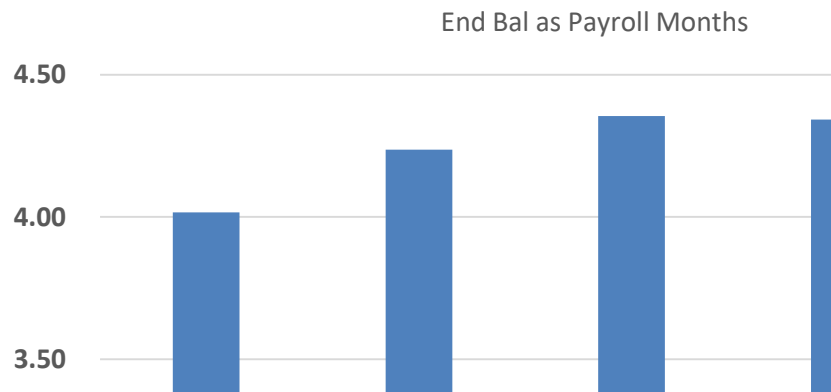
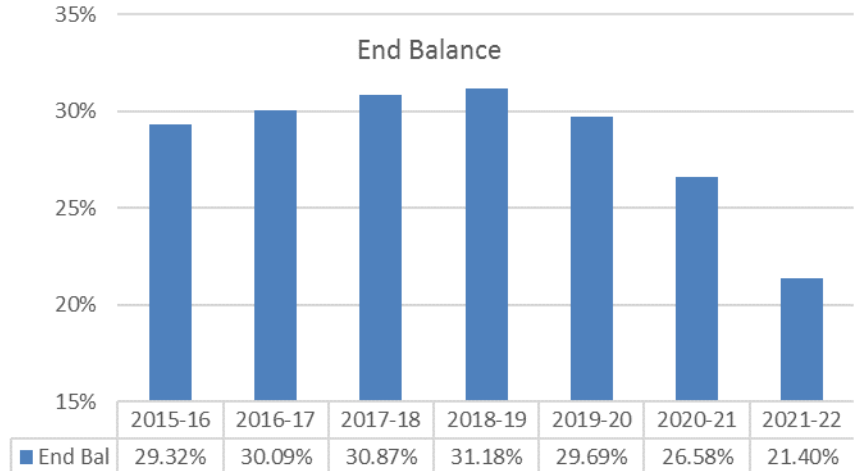
- The District is projected to receive \$12,087.31 per student attendance
- The district has the ability to waive 1 year attendance and use the prior year, allowing for the use of a higher attendance.
- The waiver option will reduce the district cut by more than \$5.2 Million

2019-20 and beyond – Budget Efficiencies

- **How we have saved:**
- Energy Efficiency Projects – Lighting and Air systems
- Bridge Financing – Restructure and repayment
- Worker’s Compensation – Case closures and restructuring

- **Savings: Estimated at \$700,000 annually** - to help sustain district programs.
- The District is also evaluating and planning initiatives that:
 - Can maintain and increase enrollment
 - Can save funding by re-aligning resources and staffing
 - Develop partnerships to maximize resources

District Reserves - * District reserves stable as % of budget



- Board guidelines for payroll as compared to district reserves
- 5 year average of about 4 months of payroll as district reserves

Analysis of School District Budget Deficits

- REVENUES
 - Decreases in Revenue
 - Enrollment decline
- COSTS
 - Personnel Costs
 - Benefits costs
- LIABILITIES
 - Capital Projects
 - Obligations and Liabilities
 - Non-Public Costs
- PROCESS ISSUES
 - Budget vs Actual Expenses
 - Over/Under spending

Multi-year budgeting – AREAS OF INTEREST

- Enrollment declining at a faster rate
 - Last 8 yrs. – 150-190 loss per year
 - Last 2 yrs. – 338 loss per year estimate
 - Current yr. – 563 loss estimate
- Rising STRS & PERS benefits costs
 - One time 1% reprieve from Governor’s funding
 - District and employee contributions
- Staffing needs
 - **Reduce staff proportionate to enrollment**
- Resource management and most restricted fund utilization

Multi-Year Planning

- District location includes varied surrounding communities
- Potential geographic opportunities and challenges
- Location realities:
 - Built-out communities
 - Employment, industry, birth rate and economic factors

There were questions/discussion on the following: will there be an increase or decline in 2021 (Garcia), declining in K-1 and will continue to lose students at K-1 as we go (Gomez), Paramount being one of the highest with free & reduced lunch, and is there a report that can show by year (Gomez), how is the growth explained in 17-18 to unaudited (Garcia), finding a solution for the dip in K-1, factors for the drop in K-1 (Cuarenta), recruitment of students (Garcia), neighboring district programs (Hansen), looking at Emmanuel Preschool’s numbers and see what they are doing to maintain their students and if they are or are not growing (Gomez).

ADJOURNMENT

Vice President Cuarenta moved, Board Member Garcia seconded, and the motion carried 5-0 to adjourn the Study Session meeting of the Board of Education held on November 18, 2019 at 6:32 p.m.

Ayes: 5 – Board Members De Leon, Garcia, Hansen, Vice President Cuarenta, President Gomez

Ruth Pérez, Secretary
To the Board of Education

President

Vice President/Clerk