



## Special Meeting of the Board of Education

04/21/2021 03:00 PM

Administration Center

5050 Barranca Parkway, Irvine, CA 92604

3:00 p.m. Special Meeting

### Meeting Minutes

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\*\* The IUSD Administration Center is closed to the public at this time in an effort to maintain physical distancing and prevent the spread of COVID-19. Regular Board of Education meetings are broadcast live on Cox channel 39 and streamed live on [iusd.org/boardmeetings](http://iusd.org/boardmeetings) \*\*

### Attendees

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#### Voting Members

Paul Bokota, Board President

Lauren Brooks, Board Member

Ira Glasky, Board Clerk

Sharon Wallin, Board Member

Cyril Yu, Board Member

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#### 1. CALL TO ORDER/PLEDGE OF ALLEGIANCE/ROLL CALL

President Bokota called the meeting to order at 3:03 PM.

The Pledge of Allegiance to the Flag of the United States of America was led by Member Yu.

##### Members Present:

Paul Bokota (left the meeting at 3:56 PM)

Lauren Brooks

Ira Glasky

Sharon Wallin

Cyril Yu

##### Staff Present:

Terry L. Walker, Superintendent of Schools

John Fogarty, Assistant Superintendent, Business Services

Eamonn O'Donovan, Assistant Superintendent, Human Resources

Cassie Parham, Assistant Superintendent, Education Services

Brianne Ford, Chief Technology Officer

Raiana Chavez, Executive Assistant to the Superintendent

#### 2. ADOPTION OF AGENDA

Adopt agenda, as presented.

Motion made by: Lauren Brooks

Motion seconded by: Sharon Wallin

Voting

Paul Bokota - Yes  
Lauren Brooks - Yes  
Ira Glasky - Yes  
Sharon Wallin - Yes  
Cyril Yu - Yes

### 3. \*BUDGET STUDY SESSION

Minutes:

#### Local Control Accountability Plan (LCAP)

Executive Director of Student Services, Tammy Blakely, commenced the Study Session with an overview of the Local Control and Accountability Plan (LCAP), noting the LCAP aligns the District's planning and budgeting process, monitors implementation of actions and student progress by sub-groups, requires engagement with stakeholders, and is required to be adopted by the Board of Education by June 30. The LCAP document, which will have an organizational change from prior years, is organized into four sections: plan summary; stakeholder engagement; goals, actions expenditures and progress indicators; and increased or improved services for unduplicated students.

The process of obtaining stakeholder engagement on the 2021-22 LCAP has been different given the COVID-19 pandemic. Just prior to the shut-down in spring of 2020, staff completed a stakeholder engagement activity where site based stakeholders reviewed priority action items from 2019-20 and 2020-21 to provide feedback on the LCAP actions, as well as District stakeholder groups who participated in a needs assessment activity. Additionally, over 2,000 staff, 23,000 students, and 7,500 parents participated in the Annual Survey in January 2021 which is used in conjunction to obtain feedback on the LCAP. Virtual LCAP activities were completed in the spring with groups such as DELAC, IUCPTA, Special Education CAC, CSEA, and ITA. The overall outcome of this feedback has been to continue focus on high priority actions, which was consistent with the feedback from the needs assessment performed in the prior year; those high priority actions being: elementary resource counselors, technology maintenance, computer match, equal opportunity schools and graduation support.

Assistant Superintendent of Human Resources, Eamonn O'Donovan, reviewed the process of collaborating on the LCAP action items with bargaining units as they are an identified stakeholder group; however, the LCAP isn't subject to collective bargaining.

Tammy provided an overview of the eight state priorities, three districtwide goals and 17 progress indicators and detailed the action items proposed under each LCAP goal. With the infusion of state and federal stimulus grants, some LCAP actions are proposed to be funded with the one-time stimulus funds for the upcoming year (indicated with a yellow highlight); however, the items will remain on the plan for inclusion in future years. She reviewed the action items under Goal 1 noting the addition of Equal Opportunity Schools and Optimistic Advantage and the one-year suspended funding of Summer School and Graduation Support as those are proposed to be funded by the stimulus grants. In reviewing of Goal 2 action items, she highlighted the addition of the PE Support and the suspended funding of the Computer Match program to be funded by stimulus grants. Lastly, for Goal 3 action items new items that are also proposed to be funded by stimulus funds is Paper (Grade Slam) and Learning Labs.

Board members expressed their concern regarding athletic supports given the deficits students face from the past year and encouraged adding additional supports if needed. Member Wallin inquired if any items added staff positions. Assistant Superintendent of Education Services, Cassie Parham, confirmed that the Graduation Support item includes an increase in sections but not staff.

### 2021-22 District Budget

Assistant Superintendent of Business Services, John Fogarty, provided an overview of the State's fiscal outlook, Governor's January 2021-22 budget proposal, projected 2021-22 Local Control Funding Formula (LCFF), an illustration of the federal stimulus funding, and other financial illustrations.

He commenced by noting the impacts of the COVID-19 pandemic, over the past year, have had a profound impact on the State's economic forecast; economists aren't sure how to forecast following the pandemic. Initially, the 2020-21 State budget assumed dramatic and sustained decreases in forecasted state revenues of approximately \$41.2 billion, coupled with forecasted increases in safety net services such as Medicare and CalFresh services, the 2020-21 State budget forecasted a \$54 billion shortfall. With the anticipated loss in statewide revenues, Proposition 98 was cut by approximately \$13.5 billion in the current year, providing no Cost-of-Living Adjustment (COLA) and instituting apportionment deferrals of approximately \$12 billion. Fortunately, in November 2020 the Legislative Analysis Office issued its annual five-year outlook and reported that State revenues were significantly outpacing budget forecast by approximately \$38 billion. In addition, the anticipated increases to safety net services was not realized. By January, all forecasted revenue loss had been restored and tax collections through February were exceeding budget projections by \$10 billion; this news is very positive for Proposition 98.

He reviewed the funding elements of Proposition 98, which was intended to be a stable, minimum guaranteed funding level; however, it continues to be treated as a maximum guarantee. Proposition 98 growth in 2021-22 is just 3% or \$3 billion. Slow revenue growth with increasing costs means more strain on local education agency budgets.

With the turnaround in State revenues, the Governor's proposal includes back funding the 2020 COLA at 2.31% along with the 2021 projected COLA of 1.5% for a total compounded COLA of 3.84%; resulting in an anticipated impact to IUSD of \$12.6 million. After accounting for annual increases in expenditures of approximately \$7.6 million or approximately 2% of unrestricted General Fund annually, leaving approximately \$5 million in ongoing funding available for allocation. Additionally, the January proposal included a 1.5% COLA for 2021-22 Special Education funding but didn't include the 2020 COLA; therefore, we hope to see Special Education funding proposed to receive both years of COLA in the May Revision.

Next he reviewed the actual and anticipated IUSD enrollment, noting a decline in 2020-21 as a result of the COVID-19 pandemic; which is happening across the state. Staff are projecting the 516 student enrollment decline to rebound in 2021-22, then for enrollment to start to level off in the next few years.

He reviewed the major components of the LCFF which include a Base Grant with funding per pupil by grade span, a CSR & CTE Grade Span Adjustment, Supplemental Grant based on the number of English-Learners, low income and foster youth students which equates to 20% of the base funding, followed by Concentration Grants for districts with 55% or more of disadvantaged populations, and Targeted Instructional Improvement & Home to School Transportation Add-on which funds have been frozen at 2012-13 levels. Next he demonstrated the projected effect of that funding on IUSD for 2021-22. Based on the projected 2021-22 Average Daily Attendance (ADA) and the different funding bands, IUSD is expected to receive nearly \$314 million in Base Grant funding, nearly \$20 million in Supplemental Grant funding, approximately \$1 million in Home to School Transportation, and over \$1 million in Targeted Instructional Improvement Block Grant for an anticipated total of \$336 million. He added that IUSD remains an LCFF funded district with 87% of its funding coming from local property taxes and the remaining 13% provided by state aid. Local property tax distributions would need to increase by \$50 million for IUSD to be a Basic Aid district, which is not projected to happen through 2024-25.

Included in the Governor's January budget proposal were two significant categorical programs, one being Assembly Bill 86, signed by the Governor on March 5, 2021, containing two very large categorical programs focused on returning to in-person instruction and mitigating learning loss, providing approximately \$6.6 billion in one-time funds. That \$6.6 billion is broken down into a \$2 billion one-time In-Person Instruction Grant to assist and incentivize in-person instruction and a \$4.6 billion one-time funding for Expanded Learning Grants. Funding for both grants are allocated based on a district's statewide share of LCFF funding. IUSD is anticipated to receive \$10.6 million from the In-Person Instruction Grant and \$22.4 million from the Expanded Learning Grant. Both grants require the funds to be spent by August 2022 and have explicit limitations for the use of the funds. The Expanded Learning Grant is the only stimulus funding that requires a plan to be developed and presented to the Board of Education and then approved and submitted to the State by June 1.

The Governor's proposal doesn't include increased LCFF targets above the COLA or additional funding to reduce CalSTRS and CalPERS costs. The 2020 Budget Act redirected \$2.3 billion for employer long-term unfunded liability to further reduce the CalSTRS and CalPERS contribution rates in 2020-21 and 2021-22. Additionally, in 2021-22, \$820 million will go towards lowering CalSTRS rate and \$330 million to reduce the CalPERS rate for one year, which is a means of using one-time funds for an ongoing reduction of expenses. For IUSD this equals \$5 million in savings over two years.

Next he reviewed the federal stimulus funding, commencing with recapping the March 2020 Coronavirus Aid, Relief, and Economic Security (CARES) Act, which equated to IUSD receiving \$19.5 million in state and federal resources; of which \$16.8 million was granted from the federal government. These funds required a Learning Continuity Plan be adopted by the Board in September 2020, and for the funds to be fully spent by September 2022. In December 2020, the Coronavirus Response and Relief Supplemental Appropriations Act was passed, granting IUSD \$8.2 million in federal funding, for which funds need to be spent by September 2023. Lastly, the Families First Coronavirus Response Act – American Rescue Plan was approved in March 2021, designating \$18.2 million to IUSD, with funds required to be spent by September 2023. He reviewed the various allowable usage for the funding noting the

federal stimulus funds were the most flexible; however, school districts would like more time to spend the funds as students will need support beyond September 2023.

The proposed LCAP action items total nearly \$7.8 million; however, approximately \$1.8 million is proposed to be funded using state and federal stimulus funding, leaving nearly \$6 million, of the nearly \$9 million available, to be applied into the district budget. The budget, based on the Second Interim, projects a positive ending fund balance of nearly \$0.5 million after implementing the LCAP actions and other ongoing resources, if approved.

In closing, he reviewed some predictions for the May Revision and noted that due to the pandemic, the California Employment Development Department announced an employer rate increase to 1.23% in Unemployment Insurance for employer contributions which represents a 2500% annual increase, which will result in an impact of approximately \$2 million to IUSD. This rate is expected to remain at this increased level for a couple of years as an effect of the increased unemployment over the past 15 months.

A timeline for next steps was provided:

- May 2021
  - Share plan with stakeholder groups
  - Continue to review and revise plan based on input
- June 8, 2021
  - 2021-22 LCAP Public Hearing
  - 2021-22 Budget Public Hearing
- June 22, 2021
  - 2021-22 LCAP Adoption
  - 2021-22 Budget Adoption

Board members thanked staff for their hard work and efforts.

#### 4. ADJOURNMENT

Meeting adjourned at 4:53 PM.

Minutes:

Acting President Glasky adjourned the meeting.

Motion made by: Cyril Yu

Voting

Paul Bokota - Not Present

Lauren Brooks - Yes

Ira Glasky - Yes

Sharon Wallin - Yes

Cyril Yu - Yes