Youth Policy Institute Charter Schools (YPICS)

Special Board Meeting

Date and Time

Monday May 11, 2020 at 6:00 PM PDT

Location

Join Zoom Meeting
https://exed.zoom.us/j/98903049550
Meeting ID: 989 0304 9550
One tap mobile
+16692192599,,98903049550# US (San Jose)
+16699006833,,98903049550# US (San Jose)
Dial by your location
+1 669 219 2599 US (San Jose)
+1 669 900 6833 US (San Jose)
Meeting ID: 989 0304 9550
Find your local number: https://exed.zoom.us/u/aefbYwkPqs

You may join the meeting via your computer and/or phone.

Agenda

	Purpose	Presenter	Time
I. Opening Items			**6:00 PM**
Opening Items			
A. Record Attendance and Guests		Yesenia Zubia	1 m
B. Call the Meeting to Order		Mary Keipp	
C. Flag Salute			1 m
D. Additions/Corrections to Agenda		Mary Keipp	1 m
E. Previous April 27, 2020 Minutes		Yvette King-Berg	

	Purpose	Presenter	Time

The minutes from the previous Board Meeting will be presented for approval at the next regular meeting of the Board.

II. Communications			**6:03 PM**
A. Presentations from the Public	FYI	Mary Keipp	5 m

Any persons present desiring to address the Board of Directors on any proper matter.

The YPI Charter Public Schools ("Charter Schools") welcome your participation at the Charter Schools' Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the Charter Schools in public. Your participation assures us of continuing community interest in our Charter Schools. To assist you in the case of speaking/participating in our meetings, the following guidelines are provided:
Agenda Items: No individual presentation shall be more than five (5) minutes and total time for this purpose shall not exceed thirty (30) minutes per agenda item.
Non-Agenda Items: No individual presentation shall be for more than three (3) minutes and total time shall not exceed fifteen (15) minutes.

When addressing the Board, speakers are requested to state their name and address from the podium and adhere to the time limits set forth.
Ordinarily, Board Members will not respond to presentations and no action can be taken. However, the board may give direction to staff following a presentation.

Any public records relating to an agenda item for an open session of the Board which are distributed to all of the Board members shall be available for public inspection at 2670 W 11th Street, Los Angeles, California 90006, 12513 Gain Street, Pacoima, CA 91331, 9400 Remick Avenue, Pacoima, California 91331 and 10660 White Oak Avenue, Granada Hills, CA 91344.

Americans with Disabilities
YPI Charter Schools, Inc. adheres to the Americans with Disabilities Act. Should you require special accommodations, or more information about accessibility, please contact us at least 48 hours in advance at (818) 834-5805, (213) 413-9600 or (818) 480-6810 or at info@coronacharter.org, info@romerocharter.org. All efforts will be made for reasonable accommodations.

B. Modified Meeting Procedures During COVID-19 Pandemic			5 m

Instructions for Presentations to the Board by Parents and Citizens

The YPI Charter Schools (“Charter Schools”) welcome your participation at the Charter Schools’ Board meetings. The purpose of a public meeting of the Board of Directors

	Purpose	Presenter	Time

("Board"0 is to conduct the affairs of the Charter Schools in public. Your participation assures us of continuing community interest in our Charter Schools.

MODIFIED MEETING PROCEDURES DURING COVID-19 (CORONAVIRUS) PANDEMIC:

As per Executive Order N-29-20 from Governor Newsom, the meetings of the Board of Directors of the YPI Charter Schools will move to a virtual/teleconference environment using Zoom. The purpose of the Governor's executive order is to control the spread of Coronavirus and to reduce and minimize the risk of infection by "limiting attendance at public assemblies, conference, or other mass events." The Governor's executive order on March 20, 2020, waived the requirement for a majority of board members to physically participate in a public board meeting at the same location. The intent is not to limit public participation, but rather to protect public health by following the Governor's Say at Home executive order and the Los Angeles County's "Safer at Home" Order.

Instructions for public comments at board meetings conducted via Zoom:

If you wish to make a public comment, please follow these instructions:

1. A Google Form "sign-up" will be open to members of the public 30 minutes prior to the public meeting. This Google Form will take the place of "speaker cards" available at meetings. https://forms.gle/Hfm6BTFbqRuMrtCN8
2. Speakers will fill in their names and select if they wish to address the board regarding specific agenda item (5 minutes allotted) or a non-agenda item (3 minutes allotted).
3. Speakers are asked to attend the board meeting virtually through the Zoom invitation link on the top of the agenda.
4. When it is time for the speaker to address the board, his/her name will be called by the Board Chair and the requesting speaker's microphone will be activated.
5. Speakers should rename their Zoom profile with their real name to expedite this process.

After the comment has been given, the microphone for the speaker's Zoom profile will be muted.

III. Items Scheduled For Information **6:13 PM**

	Purpose	Presenter	Time
A. Medical Insurance Review	FYI	Yvette King-Berg	10 m
B. Paycheck Protection Program	FYI	Yvette King-Berg	5 m
C. Committee/ Council Reports	FYI		

To be presented at the next Regular Meeting of the Board of Trustees.

	Purpose	Presenter	Time
D. Board Committee Reports	FYI		

To be presented at the next Regular Meeting of the Board of Trustees.

E. Bert Corona Executive Administrator Report	FYI	Ruben Duenas	

To be presented at the next Regular Meeting of the Board of Trustees.

F. Monsenor Oscar Romero Executive Administrator Report	FYI	Rene Quon	

To be presented at the next Regular Meeting of the Board of Trustees.

G. Bert Corona Charter High School Executive Administrator Report	FYI	Larry Simonsen	

To be presented at the next Regular Meeting of the Board of Trustees.

H. Executive Director's Report	FYI	Yvette King-Berg	

To be presented at the next Regular Meeting of the Board of Trustees.

IV. Items Scheduled For Action — 6:28 PM

A. Board Resolution #2020-04	Vote	Yvette King-Berg	5 m

Recommendation to approve Board Resolution #2020-04 authorizing the Executive Director to take actions necessary to reopen the YPI Charter Schools following state and county guidelines and considering the heath and safety of students and staff.

B. Reduction in Force Policy	Vote	Yvette King-Berg	5 m

Recommendation to approve the YPICS Reduction In Force Policy

C. Budget Reductions for FY 2020-21		Yvette King-Berg	10 m

Recommendation to approve budget reductions for the 2020-21.

V. Announcements — 6:48 PM

A. Closing Announcements	FYI	Yvette King-Berg	2 m

VI. Closing Items — 6:50 PM

A. Adjourn Meeting	Vote		

Coversheet

Medical Insurance Review

Section: III. Items Scheduled For Information
Item: A. Medical Insurance Review
Purpose: FYI
Submitted by:
Related Material: 20-21 Benefit Renewal Proposal Summary.pdf

2020-21 Benefits Program Strategic Plan - Board Summary

Purpose:

Each year, YPICS executive and HR teams meet with our employee health and wellness benefit broker partner to strategize our employee health and wellness benefits program for the coming year, with the following priorities in mind:

1. ***Provide the best benefit coverage and wellness initiatives*** throughout the year, through active leveraging of all of our benefit carrier and broker resources to ensure the very best program for our staff and families. Examples are our unique high hmo medical plan with FSA strategy, last year's "Maintain Don't Gain" holiday wellness program, and very important weekly and monthly COVID-19 mental and physical health and wellness resources for educators offered to all employees through Kaiser and Inspired Wellness.
2. ***Provide benefit plans with the lowest possible out-of-pocket cost exposure for our staff and families***, and fill any gaps that may occur due to needed changes in plans based on budget. Some examples of this is our move to the KP High HMO $20 medical plan, and adding BenExtend coverage to our offering this year to ensure an increase in coverage overall.
3. ***Partner with a benefit broker who will negotiate and advocate on our behalf*** to obtain the best health plan benefits and rates for YPI Charter Schools. An example of this is our initial medical rate increase this year being reduced, the KP High HMO $20 plan being offered at the best possible rates, adult ortho added at no cost to YPICS, and the introduction of BenExtend for YPICS.

Renewal Strategy:

For the 2020-21 benefit plan year, we have decided on the following:

1. **KP Medical**: Change from KP High HMO $10 to KP High HMO $20. The proposed rate increase of 3.43% for our current $10 plan, compared to the reduction of -1.08% for the $20 plan created an opportunity for YPICS to save $, and even after adding BenExtend plans for all employees and families ensuring minimum out-of-pocket exposure and increased benefits, ***our final 2020-21 health benefit annual rate increase is still only .74%.*** We offer a KP retirement plan too!
2. **Beam PPO Dental**: added adult ortho benefit retro to 2019-20/no rate change
3. **CDN HMO Dental**: No benefit/rate change
4. **VSP Vision**: No benefit/rate change
5. **Unum Group Life**: No benefit/rate change
6. **Unum Voluntary Life**: No benefit/rate change
7. **AFLAC BenExtend $2000**: New supplemental plan to fill coverage gaps and add direct cash benefits
8. **FSA/DCFSA:** We also offer a Medical and Dependent Care Flexible Spending Account (FSA/DCFSA) to assist in covering any out of pocket covered expenses.

In Summary:

We are excited to have reached a very positive conclusion for our upcoming benefits and wellness program, in spite of the current COVID-19 situation and increasing health insurance rates. Maintaining a solid medical, dental, vision, life and voluntary benefits program strategy with excellent coverage, low out of pocket maximums, additional adult orthodontia, and three AFLAC voluntary plans in one through BenExtend at NO additional cost to employees and families, all at the best possible rates for YPICS -- is a progressive step for this year in our employee health and wellness benefits program.

Coversheet

Paycheck Protection Program

Section: III. Items Scheduled For Information
Item: B. Paycheck Protection Program
Purpose: FYI
Submitted by:
Related Material: Paycheck-Protection-Program-Frequently-Asked-Questions_04 26 20.pdf

As of April 26, 2020

PAYCHECK PROTECTION PROGRAM LOANS

Frequently Asked Questions (FAQs)

The Small Business Administration (SBA), in consultation with the Department of the Treasury, intends to provide timely additional guidance to address borrower and lender questions concerning the implementation of the Paycheck Protection Program (PPP), established by section 1102 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act or the Act). This document will be updated on a regular basis.

Borrowers and lenders may rely on the guidance provided in this document as SBA's interpretation of the CARES Act and of the Paycheck Protection Program Interim Final Rules ("PPP Interim Final Rules") (link). The U.S. government will not challenge lender PPP actions that conform to this guidance,[1] and to the PPP Interim Final Rules and any subsequent rulemaking in effect at the time.

1. **Question:** Paragraph 3.b.iii of the PPP Interim Final Rule states that lenders must "[c]onfirm the dollar amount of average monthly payroll costs for the preceding calendar year by reviewing the payroll documentation submitted with the borrower's application." Does that require the lender to replicate every borrower's calculations?

   Answer: No. Providing an accurate calculation of payroll costs is the responsibility of the borrower, and the borrower attests to the accuracy of those calculations on the Borrower Application Form. Lenders are expected to perform a good faith review, in a reasonable time, of the borrower's calculations and supporting documents concerning average monthly payroll cost. For example, minimal review of calculations based on a payroll report by a recognized third-party payroll processor would be reasonable. In addition, as the PPP Interim Final Rule indicates, lenders may rely on borrower representations, including with respect to amounts required to be excluded from payroll costs.

   If the lender identifies errors in the borrower's calculation or material lack of substantiation in the borrower's supporting documents, the lender should work with the borrower to remedy the issue.[2]

2. **Question:** Are small business concerns (as defined in section 3 of the Small Business Act, 15 U.S.C. 632) required to have 500 or fewer employees to be eligible borrowers in the PPP?

   Answer: No. Small business concerns can be eligible borrowers even if they have more than 500 employees, as long as they satisfy the existing statutory and regulatory definition of a "small business concern" under section 3 of the Small Business Act, 15 U.S.C. 632. A business can qualify if it meets the SBA employee-based or revenue-

[1] This document does not carry the force and effect of law independent of the statute and regulations on which it is based.

[2] Question 1 published April 3, 2020.

based size standard corresponding to its primary industry. Go to www.sba.gov/size for the industry size standards.

Additionally, a business can qualify for the Paycheck Protection Program as a small business concern if it met both tests in SBA's "alternative size standard" as of March 27, 2020: (1) maximum tangible net worth of the business is not more than $15 million; and (2) the average net income after Federal income taxes (excluding any carry-over losses) of the business for the two full fiscal years before the date of the application is not more than $5 million.

A business that qualifies as a small business concern under section 3 of the Small Business Act, 15 U.S.C. 632, may truthfully attest to its eligibility for PPP loans on the Borrower Application Form, unless otherwise ineligible.

3. **Question:** Does my business have to qualify as a small business concern (as defined in section 3 of the Small Business Act, 15 U.S.C. 632) in order to participate in the PPP?

   Answer: No. In addition to small business concerns, a business is eligible for a PPP loan if the business has 500 or fewer employees whose principal place of residence is in the United States, or the business meets the SBA employee-based size standards for the industry in which it operates (if applicable). Similarly, PPP loans are also available for qualifying tax-exempt nonprofit organizations described in section 501(c)(3) of the Internal Revenue Code (IRC), tax-exempt veterans organization described in section 501(c)(19) of the IRC, and Tribal business concerns described in section 31(b)(2)(C) of the Small Business Act that have 500 or fewer employees whose principal place of residence is in the United States, or meet the SBA employee-based size standards for the industry in which they operate.

4. **Question:** Are lenders required to make an independent determination regarding applicability of affiliation rules under 13 C.F.R. 121.301(f) to borrowers?

   Answer: No. It is the responsibility of the borrower to determine which entities (if any) are its affiliates and determine the employee headcount of the borrower and its affiliates. Lenders are permitted to rely on borrowers' certifications.

5. **Question:** Are borrowers required to apply SBA's affiliation rules under 13 C.F.R. 121.301(f)?

   Answer: Yes. Borrowers must apply the affiliation rules set forth in SBA's Interim Final Rule on Affiliation. A borrower must certify on the Borrower Application Form that the borrower is eligible to receive a PPP loan, and that certification means that the borrower is a small business concern as defined in section 3 of the Small Business Act (15 U.S.C. 632), meets the applicable SBA employee-based or revenue-based size standard, or meets the tests in SBA's alternative size standard, after applying the affiliation rules, if applicable. SBA's existing affiliation exclusions apply to the PPP, including, for example the exclusions under 13 CFR 121.103(b)(2).

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6. **Question:** The affiliation rule based on ownership (13 C.F.R. 121.301(f)(1)) states that SBA will deem a minority shareholder in a business to control the business if the shareholder has the right to prevent a quorum or otherwise block action by the board of directors or shareholders. If a minority shareholder irrevocably gives up those rights, is it still considered to be an affiliate of the business?

   Answer: No. If a minority shareholder in a business irrevocably waives or relinquishes any existing rights specified in 13 C.F.R. 121.301(f)(1), the minority shareholder would no longer be an affiliate of the business (assuming no other relationship that triggers the affiliation rules).

7. **Question:** The CARES Act excludes from the definition of payroll costs any employee compensation in excess of an annual salary of $100,000. Does that exclusion apply to all employee benefits of monetary value?

   Answer: No. The exclusion of compensation in excess of $100,000 annually applies only to cash compensation, not to non-cash benefits, including:
   - employer contributions to defined-benefit or defined-contribution retirement plans;
   - payment for the provision of employee benefits consisting of group health care coverage, including insurance premiums; and
   - payment of state and local taxes assessed on compensation of employees.

8. **Question:** Do PPP loans cover paid sick leave?

   Answer: Yes. PPP loans covers payroll costs, including costs for employee vacation, parental, family, medical, and sick leave. However, the CARES Act excludes qualified sick and family leave wages for which a credit is allowed under sections 7001 and 7003 of the Families First Coronavirus Response Act (Public Law 116–127). Learn more about the Paid Sick Leave Refundable Credit here.

9. **Question:** My small business is a seasonal business whose activity increases from April to June. Considering activity from that period would be a more accurate reflection of my business's operations. However, my small business was not fully ramped up on February 15, 2020. Am I still eligible?

   Answer: In evaluating a borrower's eligibility, a lender may consider whether a seasonal borrower was in operation on February 15, 2020 or for an 8-week period between February 15, 2019 and June 30, 2019.

10. **Question:** What if an eligible borrower contracts with a third-party payer such as a payroll provider or a Professional Employer Organization (PEO) to process payroll and report payroll taxes?

   Answer: SBA recognizes that eligible borrowers that use PEOs or similar payroll providers are required under some state registration laws to report wage and other data on

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the Employer Identification Number (EIN) of the PEO or other payroll provider. In these cases, payroll documentation provided by the payroll provider that indicates the amount of wages and payroll taxes reported to the IRS by the payroll provider for the borrower's employees will be considered acceptable PPP loan payroll documentation. Relevant information from a Schedule R (Form 941), Allocation Schedule for Aggregate Form 941 Filers, attached to the PEO's or other payroll provider's Form 941, Employer's Quarterly Federal Tax Return, should be used if it is available; otherwise, the eligible borrower should obtain a statement from the payroll provider documenting the amount of wages and payroll taxes. In addition, employees of the eligible borrower will not be considered employees of the eligible borrower's payroll provider or PEO.

11. **Question:** May lenders accept signatures from a single individual who is authorized to sign on behalf of the borrower?

    Answer: Yes. However, the borrower should bear in mind that, as the Borrower Application Form indicates, only an authorized representative of the business seeking a loan may sign on behalf of the business. An individual's signature as an "Authorized Representative of Applicant" is a representation to the lender and to the U.S. government that the signer is authorized to make the certifications, including with respect to the applicant and each owner of 20% or more of the applicant's equity, contained in the Borrower Application Form. Lenders may rely on that representation and accept a single individual's signature on that basis.

12. **Question:** I need to request a loan to support my small business operations in light of current economic uncertainty. However, I pleaded guilty to a felony crime a very long time ago. Am I still eligible for the PPP?

    Answer: Yes. Businesses are only ineligible if an owner of 20 percent or more of the equity of the applicant is presently incarcerated, on probation, on parole; subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction; or, within the last five years, for any felony, has been convicted; pleaded guilty; pleaded nolo contendere; been placed on pretrial diversion; or been placed on any form of parole or probation (including probation before judgment).

13. **Question:** Are lenders permitted to use their own online portals and an electronic form that they create to collect the same information and certifications as in the Borrower Application Form, in order to complete implementation of their online portals?

    Answer: Yes. Lenders may use their own online systems and a form they establish that asks for the same information (using the same language) as the Borrower Application Form. Lenders are still required to send the data to SBA using SBA's interface.

14. **Question:** What time period should borrowers use to determine their number of employees and payroll costs to calculate their maximum loan amounts?

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Answer: In general, borrowers can calculate their aggregate payroll costs using data either from the previous 12 months or from calendar year 2019. For seasonal businesses, the applicant may use average monthly payroll for the period between February 15, 2019, or March 1, 2019, and June 30, 2019. An applicant that was not in business from February 15, 2019 to June 30, 2019 may use the average monthly payroll costs for the period January 1, 2020 through February 29, 2020.

Borrowers may use their average employment over the same time periods to determine their number of employees, for the purposes of applying an employee-based size standard. Alternatively, borrowers may elect to use SBA's usual calculation: the average number of employees per pay period in the 12 completed calendar months prior to the date of the loan application (or the average number of employees for each of the pay periods that the business has been operational, if it has not been operational for 12 months).

15. **Question:** Should payments that an eligible borrower made to an independent contractor or sole proprietor be included in calculations of the eligible borrower's payroll costs?

    Answer: No. Any amounts that an eligible borrower has paid to an independent contractor or sole proprietor should be excluded from the eligible business's payroll costs. However, an independent contractor or sole proprietor will itself be eligible for a loan under the PPP, if it satisfies the applicable requirements.

16. **Question:** How should a borrower account for federal taxes when determining its payroll costs for purposes of the maximum loan amount, allowable uses of a PPP loan, and the amount of a loan that may be forgiven?

    Answer: Under the Act, payroll costs are calculated on a gross basis without regard to (i.e., not including subtractions or additions based on) federal taxes imposed or withheld, such as the employee's and employer's share of Federal Insurance Contributions Act (FICA) and income taxes required to be withheld from employees. As a result, payroll costs are not reduced by taxes imposed on an employee and required to be withheld by the employer, but payroll costs do not include the employer's share of payroll tax. For example, an employee who earned $4,000 per month in gross wages, from which $500 in federal taxes was withheld, would count as $4,000 in payroll costs. The employee would receive $3,500, and $500 would be paid to the federal government. However, the employer-side federal payroll taxes imposed on the $4,000 in wages are excluded from payroll costs under the statute.[3]

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[3] The definition of "payroll costs" in the CARES Act, 15 U.S.C. 636(a)(36)(A)(viii), excludes "taxes imposed or withheld under chapters 21, 22, or 24 of the Internal Revenue Code of 1986 during the covered period," defined as February 15, 2020, to June 30, 2020. As described above, the SBA interprets this statutory exclusion to mean that payroll costs are calculated on a gross basis, without subtracting federal taxes that are imposed on the employee or withheld from employee wages. Unlike employer-side payroll taxes, such employee-side taxes are ordinarily expressed as a reduction in employee take-home pay; their exclusion from the definition of payroll costs means payroll costs should not be reduced based on taxes imposed on the employee or withheld from employee wages. This interpretation is consistent with the text of the statute and advances the legislative purpose of ensuring workers

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17. **Question:** I filed or approved a loan application based on the version of the PPP Interim Final Rule published on April 2, 2020. Do I need to take any action based on the updated guidance in these FAQs?

    Answer: No. Borrowers and lenders may rely on the laws, rules, and guidance available at the time of the relevant application. However, borrowers whose previously submitted loan applications have not yet been processed may revise their applications based on clarifications reflected in these FAQs.

18. **Question:** Are PPP loans for existing customers considered new accounts for FinCEN Rule CDD purposes? Are lenders required to collect, certify, or verify beneficial ownership information in accordance with the rule requirements for existing customers?

    Answer: If the PPP loan is being made to an existing customer and the necessary information was previously verified, you do not need to re-verify the information.

    Furthermore, if federally insured depository institutions and federally insured credit unions eligible to participate in the PPP program have not yet collected beneficial ownership information on existing customers, such institutions do not need to collect and verify beneficial ownership information for those customers applying for new PPP loans, unless otherwise indicated by the lender's risk-based approach to BSA compliance.[4]

19. **Question:** Do lenders have to use a promissory note provided by SBA or may they use their own?

    Answer: Lenders may use their own promissory note or an SBA form of promissory note.

20. **Question:** The amount of forgiveness of a PPP loan depends on the borrower's payroll costs over an eight-week period; when does that eight-week period begin?

    Answer: The eight-week period begins on the date the lender makes the first disbursement of the PPP loan to the borrower. The lender must make the first disbursement of the loan no later than ten calendar days from the date of loan approval.[5]

21. **Question:** Do lenders need a separate SBA Authorization document to issue PPP loans?

    Answer: No. A lender does not need a separate SBA Authorization for SBA to guarantee a PPP loan. However, lenders must have executed SBA Form 2484 (the

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remain paid and employed. Further, because the reference period for determining a borrower's maximum loan amount will largely or entirely precede the period from February 15, 2020, to June 30, 2020, and the period during which borrowers will be subject to the restrictions on allowable uses of the loans may extend beyond that period, for purposes of the determination of allowable uses of loans and the amount of loan forgiveness, this statutory exclusion will apply with respect to such taxes imposed or withheld at any time, not only during such period.

[4] Questions 2 – 18 published April 6, 2020.

[5] Questions 19 – 20 published April 8, 2020.

Lender Application Form for the Paycheck Protection Program)[6] to issue PPP loans and receive a loan number for each originated PPP loan. Lenders may include in their promissory notes for PPP loans any terms and conditions, including relating to amortization and disclosure, that are not inconsistent with Sections 1102 and 1106 of the CARES Act, the PPP Interim Final Rules and guidance, and SBA Form 2484.

22. **Question:** I am a non-bank lender that meets all applicable criteria of the PPP Interim Final Rule. Will I be automatically enrolled as a PPP lender? What criteria will SBA and the Treasury Department use to assess whether to approve my application to participate as a PPP lender?

    Answer: We encourage lenders that are not currently 7(a) lenders to apply in order to increase the scope of PPP lending options and the speed with which PPP loans can be disbursed to help small businesses across America. We recognize that financial technology solutions can promote efficiency and financial inclusion in implementing the PPP. Applicants should submit SBA Form 3507 and the relevant attachments to NFRLApplicationForPPP@sba.gov. Submission of the SBA Form 3507 does not result in automatic enrollment in the PPP. SBA and the Treasury Department will evaluate each application from a non-bank or non-insured depository institution lender and determine whether the applicant has the necessary qualifications to process, close, disburse, and service PPP loans made with SBA's guarantee. SBA may request additional information from the applicant before making a determination.

23. **Question:** How do the $10 million cap and affiliation rules work for franchises?

    Answer: If a franchise brand is listed on the SBA Franchise Directory, each of its franchisees that meets the applicable size standard can apply for a PPP loan. (The franchisor does not apply on behalf of its franchisees.) The $10 million cap on PPP loans is a limit per franchisee entity, and each franchisee is limited to one PPP loan.

    Franchise brands that have been denied listing on the Directory because of affiliation between franchisor and franchisee may request listing to receive PPP loans. SBA will not apply affiliation rules to a franchise brand requesting listing on the Directory to participate in the PPP, but SBA will confirm that the brand is otherwise eligible for listing on the Directory.

24. **Question:** How do the $10 million cap and affiliation rules work for hotels and restaurants (and any business assigned a North American Industry Classification System (NAICS) code beginning with 72)?

    Answer: Under the CARES Act, any single business entity that is assigned a NAICS code beginning with 72 (including hotels and restaurants) and that employs not more than 500 employees per physical location is eligible to receive a PPP loan.

[6] This requirement is satisfied by a lender when the lender completes the process of submitting a loan through the E-Tran system; no transmission or retention of a physical copy of Form 2484 is required.

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In addition, SBA's affiliation rules (13 CFR 121.103 and 13 CFR 121.301) do not apply to any business entity that is assigned a NAICS code beginning with 72 and that employs not more than a total of 500 employees. As a result, if each hotel or restaurant location owned by a parent business is a separate legal business entity, each hotel or restaurant location that employs not more than 500 employees is permitted to apply for a separate PPP loan provided it uses its unique EIN.

The $10 million maximum loan amount limitation applies to each eligible business entity, because individual business entities cannot apply for more than one loan. The following examples illustrate how these principles apply.

Example 1. Company X directly owns multiple restaurants and has no affiliates.

- Company X may apply for a PPP loan if it employs 500 or fewer employees per location (including at its headquarters), even if the total number of employees employed across all locations is over 500.

Example 2. Company X wholly owns Company Y and Company Z (as a result, Companies X, Y, and Z are all affiliates of one another). Company Y and Company Z each own a single restaurant with 500 or fewer employees.

- Company Y and Company Z can each apply for a separate PPP loan, because each has 500 or fewer employees. The affiliation rules do not apply, because Company Y and Company Z each has 500 or fewer employees and is in the food services business (with a NAICS code beginning with 72).

Example 3. Company X wholly owns Company Y and Company Z (as a result, Companies X, Y, and Z are all affiliates of one another). Company Y owns a restaurant with 400 employees. Company Z is a construction company with 400 employees.

- Company Y is eligible for a PPP loan because it has 500 or fewer employees. The affiliation rules do not apply to Company Y, because it has 500 or fewer employees and is in the food services business (with a NAICS code beginning with 72).
- The waiver of the affiliation rules does not apply to Company Z, because Company Z is in the construction industry. Under SBA's affiliation rules, 13 CFR 121.301(f)(1) and (3), Company Y and Company Z are affiliates of one another because they are under the common control of Company X, which wholly owns both companies. This means that the size of Company Z is determined by adding its employees to those of Companies X and Y. Therefore, Company Z is deemed to have more than 500 employees, together with its affiliates. However, Company Z may be eligible to receive a PPP loan as a small business concern if it, together with Companies X and Y, meets SBA's other applicable size standards," as explained in FAQ #2.

25. **Question:** Does the information lenders are required to collect from PPP applicants regarding every owner who has a 20% or greater ownership stake in the applicant business (i.e., owner name, title, ownership %, TIN, and address) satisfy a lender's obligation to collect beneficial ownership information (which has a 25% ownership threshold) under the Bank Secrecy Act?

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Answer:
For lenders with existing customers: With respect to collecting beneficial ownership information for owners holding a 20% or greater ownership interest, if the PPP loan is being made to an existing customer and the lender previously verified the necessary information, the lender does not need to re-verify the information. Furthermore, if federally insured depository institutions and federally insured credit unions eligible to participate in the PPP program have not yet collected such beneficial ownership information on existing customers, such institutions do not need to collect and verify beneficial ownership information for those customers applying for new PPP loans, unless otherwise indicated by the lender's risk-based approach to Bank Secrecy Act (BSA) compliance.

For lenders with new customers: For new customers, the lender's collection of the following information from all natural persons with a 20% or greater ownership stake in the applicant business will be deemed to satisfy applicable BSA requirements and FinCEN regulations governing the collection of beneficial ownership information: owner name, title, ownership %, TIN, address, and date of birth. If any ownership interest of 20% or greater in the applicant business belongs to a business or other legal entity, lenders will need to collect appropriate beneficial ownership information for that entity. If you have questions about requirements related to beneficial ownership, go to https://www.fincen.gov/resources/statutes-and-regulations/cdd-final-rule. Decisions regarding further verification of beneficial ownership information collected from new customers should be made pursuant to the lender's risk-based approach to BSA compliance.[7]

26. **Question:** SBA regulations require approval by SBA's Standards of Conduct Committee (SCC) for SBA Assistance, other than disaster assistance, to an entity, if its sole proprietor, partner, officer, director, or stockholder with a 10 percent or more interest is: a current SBA employee; a Member of Congress; an appointed official or employee of the legislative or judicial branch; a member or employee of an SBA Advisory Council or SCORE volunteer; or a household member of any of the preceding individuals. Do these entities need the approval of the SCC in order to be eligible for a PPP loan?

    Answer: The SCC has authorized a blanket approval for PPP loans to such entities so that further action by the SCC is not necessary in the PPP program.

27. **Question:** SBA regulations require a written statement of no objection by the pertinent Department or military service before it provides any SBA Assistance, other than disaster loans, to an entity, if its sole proprietor, partner, officer, director, or stockholder with a 10 percent or more interest, or if a household member of any of the preceding individuals, is an employee of another Government Department or Agency having a grade of at least GS-13 or its equivalent. Does this requirement apply to PPP loans?

[7] Questions 21 – 25 published April 13, 2020.

As of April 26, 2020

Answer: No. The SCC has determined that a written statement of no objection is not required from another Government Department or Agency for PPP loans.

28. **Question:** Is a lender permitted to submit a PPP loan application to SBA through E-Tran before the lender has fulfilled its responsibility to review the required borrower documentation and calculation of payroll costs?

    Answer: No. Before a lender submits a PPP loan through E-Tran, the lender must have collected the information and certifications contained in the Borrower Application Form and the lender must have fulfilled its obligations set forth in paragraphs 3.b.(i)-(iii) of the PPP Interim Final Rule. Please refer to the Interim Final Rule and FAQ 1 for more information on the lender's responsibility regarding confirmation of payroll costs.

    Lenders who did not understand that these steps are required before submission to E-Tran need not withdraw applications submitted to E-Tran before April 14, 2020, but must fulfill lender responsibilities with respect to those applications as soon as practicable and no later than loan closing.[8]

29. **Question:** Can lenders use scanned copies of documents or E-signatures or E-consents permitted by the E-sign Act?

    Answer: Yes. All PPP lenders may accept scanned copies of signed loan applications and documents containing the information and certifications required by SBA Form 2483 and the promissory note used for the PPP loan. Additionally, lenders may also accept any form of E-consent or E-signature that complies with the requirements of the Electronic Signatures in Global and National Commerce Act (P.L. 106-229).

    If electronic signatures are not feasible, when obtaining a wet ink signature without in-person contact, lenders should take appropriate steps to ensure the proper party has executed the document.

    This guidance does not supersede signature requirements imposed by other applicable law, including by the lender's primary federal regulator.[9]

30. **Question:** Can a lender sell a PPP loan into the secondary market?

    Answer: Yes. A PPP loan may be sold into the secondary market at any time after the loan is fully disbursed. A secondary market sale of a PPP loan does not require SBA approval. A PPP loan sold into the secondary market is 100% SBA guaranteed. A PPP loan may be sold on the secondary market at a premium or a discount to par value.[10]

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[8] Questions 26 – 28 published April 14, 2020.
[9] Question 29 published April 15, 2020.
[10] Question 30 published April 17, 2020.

As of April 26, 2020

31. **Question:** Do businesses owned by large companies with adequate sources of liquidity to support the business's ongoing operations qualify for a PPP loan?

    Answer: In addition to reviewing applicable affiliation rules to determine eligibility, all borrowers must assess their economic need for a PPP loan under the standard established by the CARES Act and the PPP regulations at the time of the loan application. Although the CARES Act suspends the ordinary requirement that borrowers must be unable to obtain credit elsewhere (as defined in section 3(h) of the Small Business Act), borrowers still must certify in good faith that their PPP loan request is necessary. Specifically, before submitting a PPP application, all borrowers should review carefully the required certification that "[c]urrent economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant." Borrowers must make this certification in good faith, taking into account their current business activity and their ability to access other sources of liquidity sufficient to support their ongoing operations in a manner that is not significantly detrimental to the business. For example, it is unlikely that a public company with substantial market value and access to capital markets will be able to make the required certification in good faith, and such a company should be prepared to demonstrate to SBA, upon request, the basis for its certification.

    Lenders may rely on a borrower's certification regarding the necessity of the loan request. Any borrower that applied for a PPP loan prior to the issuance of this guidance and repays the loan in full by May 7, 2020 will be deemed by SBA to have made the required certification in good faith.[11]

32. **Question:** Does the cost of a housing stipend or allowance provided to an employee as part of compensation count toward payroll costs?

    Answer: Yes. Payroll costs includes all cash compensation paid to employees, subject to the $100,000 annual compensation per employee limitation.

33. **Question:** Is there existing guidance to help PPP applicants and lenders determine whether an individual employee's principal place of residence is in the United States?

    Answer: PPP applicants and lenders may consider IRS regulations (26 CFR § 1.121-1(b)(2)) when determining whether an individual employee's principal place of residence is in the United States.

34. **Question:** Are agricultural producers, farmers, and ranchers eligible for PPP loans?

    Answer: Yes. Agricultural producers, farmers, and ranchers are eligible for PPP loans if: (i) the business has 500 or fewer employees, or (ii) the business fits within the revenue-based sized standard, which is average annual receipts of $1 million.

    Additionally, agricultural producers, farmers, and ranchers can qualify for PPP loans as a small business concern if their business meets SBA's "alternative size standard." The

[11] Question 31 published April 23, 2020.

"alternative size standard" is currently: (1) maximum net worth of the business is not more than $15 million, and (2) the average net income after Federal income taxes (excluding any carry-over losses) of the business for the two full fiscal years before the date of the application is not more than $5 million.

For all of these criteria, the applicant must include its affiliates in its calculations. Link to Applicable Affiliation Rules for the PPP.

35. **Question:** Are agricultural and other forms of cooperatives eligible to receive PPP loans?

    Answer: As long as other PPP eligibility requirements are met, small agricultural cooperatives and other cooperatives may receive PPP loans.[12]

36. **Question:** To determine borrower eligibility under the 500-employee or other applicable threshold established by the CARES Act, must a borrower count all employees or only full-time equivalent employees?

    Answer: For purposes of loan eligibility, the CARES Act defines the term employee to include "individuals employed on a full-time, part-time, or other basis." A borrower must therefore calculate the total number of employees, including part-time employees, when determining their employee headcount for purposes of the eligibility threshold. For example, if a borrower has 200 full-time employees and 50 part-time employees each working 10 hours per week, the borrower has a total of 250 employees.

    By contrast, for purposes of loan forgiveness, the CARES Act uses the standard of "full-time equivalent employees" to determine the extent to which the loan forgiveness amount will be reduced in the event of workforce reductions.[13]

[12] Questions 32 – 35 published April 24, 2020.
[13] Questions 36 published April 26, 2020.

Coversheet

Board Resolution #2020-04

Section: IV. Items Scheduled For Action
Item: A. Board Resolution #2020-04
Purpose: Vote
Submitted by:
Related Material:
YPICS BOARD Resolution 2020-04 School Opening Student and Staff Safety Final.pdf
Final Board Brief Recommendation to Approve Resolution #2020-04 Authorizing Executive Director to Take Action to Reopen YPICS .pdf

YPICS
YPI CHARTER SCHOOLS

RESOLUTION OF THE BOARD OF DIRECTORS
YOUTH POLICY INSTITUTE CHARTER SCHOOLS
A California Public Benefit Corporation
Board Resolution #2020-04

AUTHORIZING THE EXECUTIVE DIRECTOR TO TAKE ACTIONS NECESSARY TO REOPEN THE YPICS SCHOOLS FOLLOWING STATE AND COUNTY GUIDELINES AND CONSIDERING THE HEALTH AND SAFETY OF STUDENTS AND STAFF

WHEREAS, the Board of Trustees of the YPI Charter Schools ("the Board") approved Resolution #2020-04 at the Emergency Meeting of the Board on March 12, 2020;

WHEREAS, the YPICS Schools officially closed on Monday, March 16, 2020 with a plan for reopening after the Spring Recess on Tuesday, April 14, 2020;

WHEREAS, the Los Angeles County Superintendent of Schools, Dr. Debra Duardo, recommended the closure of all schools within Los Angeles County for the remainder of the 2019-2020 school year on April 2, 2020 followed by the announcement by the superintendent of YPICS' authorizing district, Los Angeles Unified ("the District"), that the District would be closing all traditional district schools for the remainder of this school year;

WHEREAS, the closure of the schools in the greater Los Angeles area was is in alignment with recommendations made by Governor Gavin Newsom, California Superintendent of Public Instruction Tony Thurmond and State Board of Education President Linda Darling Hammond for schools to close their physical sites for the remainder of the school year, while continuing remote instruction;

WHEREAS, following the guidance from the state and county, The YPI Charter Schools announced the closure of all YPICS schools for the remainder of the 2019-2020 school year on April 3, 2020 and the continuation of the YPICS Distance Learning Program;

WHEREAS, On April 28, 2020, Governor Gavin Newsom announced a four-phased plan for reopening the state, including the reopening of schools in phase two, which was stated to be "weeks away", with the school year potentially starting in July or August to make up for lost learning time;

WHEREAS, the reopening of the YPI Charter Schools will be conducted with thoughtful and thorough preparation of each site, and the following measures will have been taken:

- Contracting with professional cleaning companies for deep cleaning and disinfecting, which is planned for early June, but which may be postponed as the state's plans are delayed

- Purchase Commercial grade disinfectant sprayer for each YPICS site, with training planned for all custodial and maintenance staff to endure disinfecting of the schools is conducted regularly
- Purchase of hand sanitizer for all sites
- Purchase of gloves and masks for all sites
- Purchase of "forehead" thermometers for all teachers and other staff who regularly interact with students
- Purchase of Chrome books and "hotspots" for each family in need of internet connectivity
- Purchase additional furniture and supplies to support social distancing requirements

WHEREAS, in addition to the physical preparation of each site, thoughtful planning to accommodate the new reality schools will face and the uncertainty of how social distancing will be realized have been considered for implementation depending on the specific circumstances under which the schools will open;

NOW, THEREFORE, IT IS HEREBY RESOLVED:

The Board of Trustees of the YPI Charter Schools authorizes the Executive Director to reopen the three YPICS schools when deemed appropriate while following the guidelines listed below:

- Follows recommended timelines for reopening schools from the State, County and CDC;
- Implementation of an instructional model that is aligned with recommendations from the California Department of Education;
- Adheres to State, County and CDC guidelines regarding social distancing;
- Adheres to the specific State requirements with will ensure continued funding for the schools, and
- Has been clearly communicated to YPICS families and the school community.

The reopening of the schools may occur as early as July 2020, based on instructions from the Governor to provide instructional time lost during the closure, or may begin on August 12, 2020, the first day of the 2020-2021 school calendar approved by the YPICS Board of Directors January 2020.

The schools will resume in either July or August under one of the following three (3) scenarios:

Scenario 1. -Schools resume on a traditional schedule. Under this scenario, COVID-19 is no longer a public health concern and all public health restrictions by the CDC have been removed. Under this unlikely scenario, school would return to normal without any additional safety precautions.

Scenario 2. -Schools resume with safety precautions and limits on group size. School would resume with a continuum of strategies to ensure social distancing and safety. Under this likely scenario, partial elements of distance learning are likely with students on a modified "In-School" and "At-Home" schedule.

Scenario 3. -Schools remain closed due to unmitigated safety concerns and an increase in the number of COVID-19 cases. Under this scenario, schools would continue with full distance learning lessons and activities.

*   *   *

IN WITNESS WHEREOF, the Board of Trustees has adopted the above resolution by the following vote at a regular Board meeting this 11th day of May, 2020.

AYES:

NOS:

ABSTENTIONS:

By: ____________________________

Sandra Mendoza, Secretary
Date Executed: ______________________

YPI CHARTER SCHOOLS

May 11, 2020

TO: YPI Charter Schools
Board of Directors

FROM: Yvette King-Berg
Executive Director

SUBJECT: Recommendation to approve Board Resolution #2020-04 Authorizing Executive Director to take action to reopen YPICS following state and county guidelines and considering health and safety of students and staff

BACKGROUND

YPICS Board of Trustees of the YPI Charter Schools approved Resolution #2020-04 at the Emergency Meeting of the Board on March 12, 2020, which gave the Executive Director the authority to close YPICS when, and for as long as necessitated by the pandemic. The schools closed on Monday, March 16, 2020 an have remained closed as per the directive issued by Governor Newsom and he Los Angeles County Superintendent on April 2, 2020.

ANALYSIS

During these unprecedented times, all aspects of the closure of the state have remained fluid with announcements made daily by the Governor reminding the public to follow social distancing guidelines and other precautions.

On April 28, 2020, the Governor outlined a four-phase plan to reopen the state, including the reopening of schools in phase two, which was possibly “weeks away”. Additionally, he stated the school year could potentially begin in July or August to make up for lost learning time.

This announcement emphasizes how quickly guidance from the state has been changing and the necessity for the YPICS Schools to be ready for any directive. As such, Resolution #2020-04 is presented for approval to allow for the Executive Director to plan and coordinate the reopening of the YPICS Schools within any timeline provided by the state.

RECOMMENDATION

It is recommended that the Board of Trustees approve Resolution #2020-04

Attachment: Board Resolution # 2020-04

Coversheet

Reduction in Force Policy

Section: IV. Items Scheduled For Action
Item: B. Reduction in Force Policy
Purpose: Vote
Submitted by:
Related Material:
19-20 YPI CHARTER SCHOOLS REDUCTION IN FORCE (LAYOFF) POLICY - Google Docs.pdf

Reduction In Force (Layoff) Policy

1. **Layoff of Employees For Following Academic Year**
   a. **Layoffs may occur at the end of the year for the ensuing academic year for the following reasons:**
      - YPICS has determined that ensuing academic year state and federal funding levels will necessitate engaging in the reduction in force;
      - YPICS has determined that attendance at a YPICS school engaging in the reduction in force will decline in the following year based upon enrollment projections or demographic projections;
      - Whenever a particular kind of service is to be reduced or discontinued not later than the beginning of the following school year;
      - Whenever the authorizing agency or amendment of state law requires the modification or alteration of curriculum;
      - Whenever YPICS is engaging in reduction in force is revoked or terminates;
      - When the governing Board of YPICS votes to close a YPICS school engaging in the reduction in force.

   b. Employees to be laid off pursuant to section 1.a shall be given written Reduction in Force (layoff) notice no later than May 15.
      - The notice shall be deemed complete when the employee is personally served or when the notice is deposited in the United States mail, certified, return receipt requested, postage prepaid, addressed to the employee at the employee's last known address on file with YPICS. Notice may also be served via certified mail or FedEx overnight delivery, the date the letter was sent shall be used as the date to determine whether written notice as timely provided and or;
      - Written notice can also be provided electronically by the May 15th day deadline. Sent electronically by May 15th will meet the noticed deadline criteria.
2. **Layoff of Employees for Current Academic Year**
   a. Layoff of employees may occur in the current academic year for the following reasons:
      - The average daily attendance for YPICS school engaging in the reduction of force declined more than one class size from one Principal Apportionment Period to the next, school wide or for a particular grade or subject;
      - Whenever the charter for the YPICS school engaging in the reduction in for is revoked or terminates;
      - When the governing Board of YPICS votes to close a YPICS school engaging in the reduction in force.

   b. In the event YPICS determines it is necessary to lay off any employees pursuant to this Provision, YPICS will provide written Reduction in Force (layoff) notices to employees no later than thirty-days in advance of an impending layoff by either delivering the notice by hand or by sending it via certified mail or FedEx overnight delivery.

- The notice shall be deemed complete when the employee is personally served or when the notice is deposited in the United States mail, certified, return receipt requested, postage prepaid, addressed to the unit member at the unit member's last known address on file with YPICS. Notice may also be delivered via FedEx. Following the same procedures. If providing via certified mail or FedEx overnight delivery, the date the letter was sent shall be used as the date to determine whether written notice was timely provided.

3. **Layoff Considerations**
   a. Prior to issuing a notice of layoff, YPICS will determine the particular kind of service to be reduced (e.g. certificated, classified, etc.). YPICS shall apply the provisions of Section 3 to all employees qualified to work in the particular kind of service in order to determine which employee(s) shall be laid off:
      - Skills and abilities of each employee, as they currently relate to the functional needs of YPICS;
      - Collaborative team player with supervisors, colleagues, and direct reports
      - Performance history of each employee;
      - Seniority is one factor that will be considered in determining the order of staff to be laid off;
      - Non-performance related problems of each employee, including misconduct, absenteeism and tardiness;
      - Flexibility and versatility of each employee. Ability to perform other functions within his/her school or site as well as the ability to perform functions at other sites;
      - Commitment to YPICS and towards personal growth and development within the organization. This includes such factors as taking courses and other outside training to obtain advanced skills and degrees.

   b. Once management has completed this analysis concerning who should be laid-off, Human Resources working on the guidance of YPICS' personnel attorney will review the recommendations and consider potential discrimination issues.

Coversheet

Budget Reductions for FY 2020-21

Section: IV. Items Scheduled For Action
Item: C. Budget Reductions for FY 2020-21
Purpose:
Submitted by:
Related Material:
Final Board Brief Recommendation to approve budget reductions for 2020-21 - Google Docs.pdf

YPI CHARTER SCHOOLS

May 11, 2020

TO: YPI Charter Schools
Board of Trustees

FROM: Yvette King-Berg
Executive Director

SUBJECT: Recommendation to approve budget reductions for 2020-2021 and immediate hiring freeze

BACKGROUND

On, The Great Recession taught us many lessons, and what can be expected as the state of California reopens.

The April Financial Business Manager’s report presented a number of uncertainties public schools in California will face in the 2020-2021 school year: enrollment projections and attendance rates, staffing, funding rates, and deferrals.

The larger and older YPICS schools have at least four months of cash on hand, as per Board policy, which should be sufficient to weather the deferrals that are anticipated. The high school has been working to build cash to the four-month level, but quite there yet. The cash on hand for high school is a month, which will require YPICS to provide assistance.

Prior to the pandemic, the COLA was forecast at 2.29 (increased to 2.31% last week), which will undoubtedly not be funded (as was the practice during the Great Recession), and instead, a decrease of at least 5% will be implemented although many financial analysts are predicting at 10% to 20% decrease to the LCFF.

When planning for the new school year even in strong fiscal times, all projections and predictions are considered to ensure the schools, particularly staff, are well informed and prepared. This year, the preparation includes a projected loss of COLA and an additional 5% cut to funding. Additionally, the Executive Team has prepared budgets as if the loss of funding would be 10%. Should the loss increase to 20%, budgets will be further adjusted, but the hard work of arriving at a positive and balanced budget has been accomplished as the release of the Governor's May Revision is anticipated on May 15, 2020. (If the loss of revenue should be 20%, cuts will be significantly greater and very difficult to even imagine.)

ANALYSIS

The following changes are recommended for implementation in the 2020-2021 school year to establish positive ending fund balances for each site:

YPICS Learning and Support Center (Central Office) Reductions

- The LSC lease will end in September and will not be renewed for October 1, 2020. Employees will be reassigned to work from Bert Corona, MORCS, or from home. The LSC Team will continue to work from these new locations until the economic conditions change in the state.
- Two central office positions will be eliminated from the LSC, and employees will be reassigned, if possible, using the Reduction in Force Policy.

YPICS School Site Reductions

Essential positions, which support the core function of YPICS, were identified for the high school and the middle schools. The following positions and fiscal cuts were made in order to balance their budgets for 2020-2021:

Bert Corona High School Reduction:

- Two High School positions will be eliminated, one administrative and one office-clerk, and employees will be reassigned if possible, using the Reduction in Force Policy.

Bert Corona Middle School Reductions:

- Reductions in deferred maintenance projects saving 70,000 K
- Eliminated one non-credentialed specialty elective position (Reduction in Force Policy applies)
- Eliminated Tutors by 6 classified positions (Bert Corona will work with our partner agencies to support staff placement with other programs that support the school)

Monsenor Oscar Romero Reduction (MORCS potentially has reserves to be allowed some flexibility with personnel spending cuts)**:**

Non-Personnel Cuts
All schools also reduced the following line items by at least 10%-20%, depending on the individual school's budgets:

- Books and reference materials (does not include core curricula)
- All other supplies
- Travel and conferences
- Field trips
- Sub teachers
- Other consultants and services
- Other communications

Implementation of "Step and Salary Freeze" along with a "Hiring Freeze" immediately, which may only be waived with approval by the Executive Director or the Chief Operations Officer.

The Board is advised that additional reductions to the budget may become necessary after release of the Governor's May Revision and then subsequently as a July Revision is also anticipated after the receipt of taxes by the state.

RECOMMENDATION

It is recommended that the Board of Trustees approve the budget reduction actions for the 2020-2021 school-year.